Stock Code: 6141

Plotech Technology Co., Ltd.

2022

Annual report

Printed on May 25, 2023

Website: http://mops.twse.com.tw

http://www.plotech.com

1. **Names, job titles, telephone numbers and emails of Spokesperson and Deputy Spokesperson**

   Spokesperson: Chang Mei-Ling / General Manager Assistant

   Deputy Spokesperson: Huang Yueh-Yun

   Telephone: (02) 2737-5351

   Email: finances@plotech.com

2. **Addresses and telephone numbers of Headquarters and factories**

   Headquarters: 12F, No. 112, Section 2, Keelung Road, Daan District, Taipei City

   Telephone: (02) 2737-5351

   Fax: (02) 2737-5820

   Factory: No. 33 Ta Yeou St., Keng Kou Li, Lu Chu Area, Taoyuan City, Taiwan

   Telephone: (03) 354-3961

   Fax: (03) 354-3963

3. **Stock transfer agent**

   Name: Stock Transfer Agency Department, Fubon Securities Co., Ltd.

   Address: 2F, No. 17, Hsu Chang St., Chung Cheng District, Taipei, Taiwan

   Telephone: (02)2361-1300

   Website: https://www.fubon.com

4. **Auditors for the most recent financial report**

   CPAs: Chen Hsien-Cheng; Wang Fang-Yu

   Accounting firm: PwC Taiwan

   Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City

   Telephone: (02) 2729-6666

   Website: http://www.pwc.com.tw

5. **Name of the exchange for listed overseas marketable securities and methods to inquire about the overseas marketable securities: none**

6. **Company website http://www.plotech.com**

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One. Letter to Shareholders

First of all and on behalf of the Plotech Group, I would like to express our greatest gratitude and appreciation to shareholders for your full support during the past year.

The consolidated operating income of Bocheng Group in 2022 was NT $3.068 billion, down 17.06% from that in 2021, the gross margin was 14%, and the group's net loss after tax was NT $147 million.

ChatGPT has triggered an arms race of computing power in the industry, accelerating the construction demand of artificial intelligence and cloud computing, and making the overall PCB market demand for packaging substrates and HDI boards continue to increase in the future. The company's new green energy smart Nantong plant, Bocheng (Nantong) Microelectronics Technology Co., LTD., will gradually gain practice in technology development and new product development, which is expected to greatly enhance the core competitiveness to meet the needs of current and future market development at the same time.

In terms of business strategy, the Taiwan plant is currently focusing on the production of samples and small and medium niche products, and actively increasing the sales proportion of semiconductor test boards and reducing the proportion of traditional boards. In the second half of 2022, although the revenue of Kunshan factory was not as expected due to the decline of overall consumer electronic products, the overall business direction remained unchanged. It still took mobile phones as the sales basis and combined high value-added products such as Internet of Things (POS machine), wearable (headset, smart watch), etc. The new Nantong plant will focus on the mass production of mini LED and Micro LED displays and the development of carrier board market. In the context of the Sino-US trade war, we strive to meet this treacherous market through effective resource integration, and actively obtain the maximum interests for all shareholders.

Looking forward to the year 2023, Plotech Group will continue to develop new customers, improve production and operation rate, product quality, customer satisfaction, management performance and product gross profit and other key work to implement, and encourage the management team to make unremitting efforts, show excellent business results, continue to create a win-win-win situation for all employees, shareholders and customers, and improve the well-being of the public. Live up to the ardent expectations and support of shareholders.

Sincerely

Best wishes to your health and prosperity

Chairman Lee Chi-Liang

1. **2022 Business Report**

(1) Achievements of the business plan

The Company's net revenue in 2022 was NT$884,652 thousand, down by NT$166,386 thousand from 2021. The gross profits totaled NT$114,674 thousand, at a gross margin of 13% and with a decrease of NT$133,088 thousand from the prior year. The operating profits were NT$19,449 thousand. With the contribution of the NT$160,645 thousand from loss on overseas investments, as an non-operating income, the Company posted a net loss of NT$147,305 thousand or a loss per share of NT$1.29 for the year.

(2) Budget implementation: The Company did not provide financial forecasts for 2022.

(3) Analysis of incomes, expenses and profitability

Item			2022	2021
Financial structure	Debt to assets ratio		15.11	18.09
	Long-term capital to fixed assets ratio		747.55	854.19
Solvency	Current ratio		184.62	193.46
	Quick ratio		164.91	169.99
Profitability	Return on assets		(4.91)	11.84
	Return on equity		(5.93)	14.32
	As a % of paid-in capital %	Operating profits	1.72	12.51
		Earnings before tax	(14.69)	39.53
	Net margin		(16.65)	34.69
	Earnings (loss) per share		(1.29)	2.88

(4) R&D

The arrival of the 5G era creates the demand for high-frequency and high-speed materials, from the high-density design of semiconductor test boards, high-end burn-in boards, automobile radars and antennas. The enhancement of manufacturing processes for thin boards and fine lines broadens the diversity of available materials. The combination of a large number of layers and high densities means an increasing requirement in the control precision of alignment between layers. Optimal manufacturing conditions must be identified from process design to production in order to reduce signal attenuation and fine tune the back drilling settings. The achievement of high and stable yields is the current R&D focus. Relevant production and R&D programs have been introduced and continued.

2. 2023 Summary of business plan:

(1) Business guidelines

1. Business development

Semiconductor test board orders will continue to grow in 2022. In addition to the steady growth of original semiconductor customers, Probe Card.Load board.Burn-In Board will continue to be a key product for business development; For high order and high density Pitch 0.3mm or even smaller design as a key development plan. We seek greater business opportunities by enhancing production yields and quality, shortening the lead-times to meet customers' needs and boosting revenues in test boards.

2. Enhancement in production technology and efficiency

We continue to improve manufacturing processes and capabilities. We are able to meet the 5G-related requirements, including the 5MIL drill diameter, smaller back-drill sizes and narrower stubs. Line widths have moved to 15-20um, aspect ratios to 50 for high-frequency materials. Meanwhile, the Company's system developers continue to modify the MIS (management information system) so as to deliver fast, high quality and in-plan services. We have also upgraded from the mid-end segment of 30 layers below at Pitch0.35mm to the high-end semiconductor test board segment of 40-50 layers, to meet the current and future design requirements of customers and to maintain our market leadership and competitiveness.

(2) Expected sales and basis for assumptions

Product name	Expected sales (Unit: SF)	Basis
Printed circuit boards	5,000,000	Conservative estimates based on orders and market demand

(3) Important policies in production and sale

1. We continue to renew and purchase equipment so as to boost production and enhance manufacturing processes and yields, increase in the talent pipeline with industry-academia programs and achieve sustainable development in both infrastructure and human resources.
2. We strive to meet the competitive requirements for international delivery schedules and continue to update the MIS system accordingly, in order to effectively control production efficiency and accelerate delivery speeds to meet customers' needs.
3. We develop and conduct trial production of semiconductor test board related products and increase the orderbook for high-profit products such as semiconductor test boards. We also endeavor to expand the clientele for high-value added and semiconductor test boards in order to boost operating profits.
4. We fully develop Probe Card, Load Board and Burn-in board high-end semiconductor test board products to boost operating targets and gross profits.

3. Development strategies

(1) The headquarter factory in Taiwan continues with the small volume production of samples. Going forward, the focus will remain on semiconductor test boards. In line with the progress customers and industries, we are dedicated to the development of all kinds of products and seek to obtain customers' recognition by offering speed, efficiency and yields.

(2) We continue to target high-margin and strong-niche products by focusing on high-layer counts, high pitches, fine lines, highly reliable and high impedance industrial boards. We shun away from competing for low-priced products.

(3) We develop high-end test boards with high layer counts. We also strengthen high-speed and high-frequency products by enhancing special control on the manufacturing process of antenna boards, to address the demand for 5G products.

(4) We purchase highly reliable equipment in a measured way, to meet the customers' demand for samples of small volumes, products of medium volumes and shop-at-one-stop. We satisfy the customers' expectation for prompt deliveries and good quality and strive to become the print circuit board manufacturer offering the best services to the electronics industry.

(5) We step up industry-academia cooperation and educate R&D personnel in the development of new manufacturing processes. We also enhance the management interface driven by artificial intelligence and develop quality talent pipelines, to maintain the heritage of Plotech technologies and pave the way for the future.

4. Impact of external competition, regulatory environment and macro business environment

(1) External competition

China, the world's second-largest economy, announced the full lifting of its three-year-long epidemic prevention embargo on January 8 this year, so we can expect the lifting of the embargo to bring increased consumption and further contribute to global economic growth. Secondly, the unblocking of China will help the recovery of the global industrial supply chain, and therefore will help reduce the global inflationary pressure. Although orders are expected to pick up in the first half of this year, diversified development and continuous process technology leadership are the only tools to retain the advantage.

(2) Regulatory environment

In addition to continued adherence to environmental protection such as RoHS, we have enhanced the use of halogen-free and lead-free materials. We have obtained the UL materials certification and prioritize the suppliers and manufacturing capabilities to Plotech customers. We are at the forefront of environmental protection and regulatory compliance will always be Plotech's goal.

(3) Macro environment

Given the faster change in the global economy and market demand, it is imperative to meet the customers' need for real-time capacities and higher product specifications. In addition to constant enhancement of the ERP system to ensure quicker access to operational status internally and procurement prices externally, we stay on top of industry dynamics. We determine policies based on facts and maintain decision-making flexibility.

Two. Company Profile

1. Company introduction

(1) Establishment of Taiwan factory: May 30, 1990

Establishment of Kunshan factory: July 10, 2000
Establishment of Nantong factory: March 3, 2020

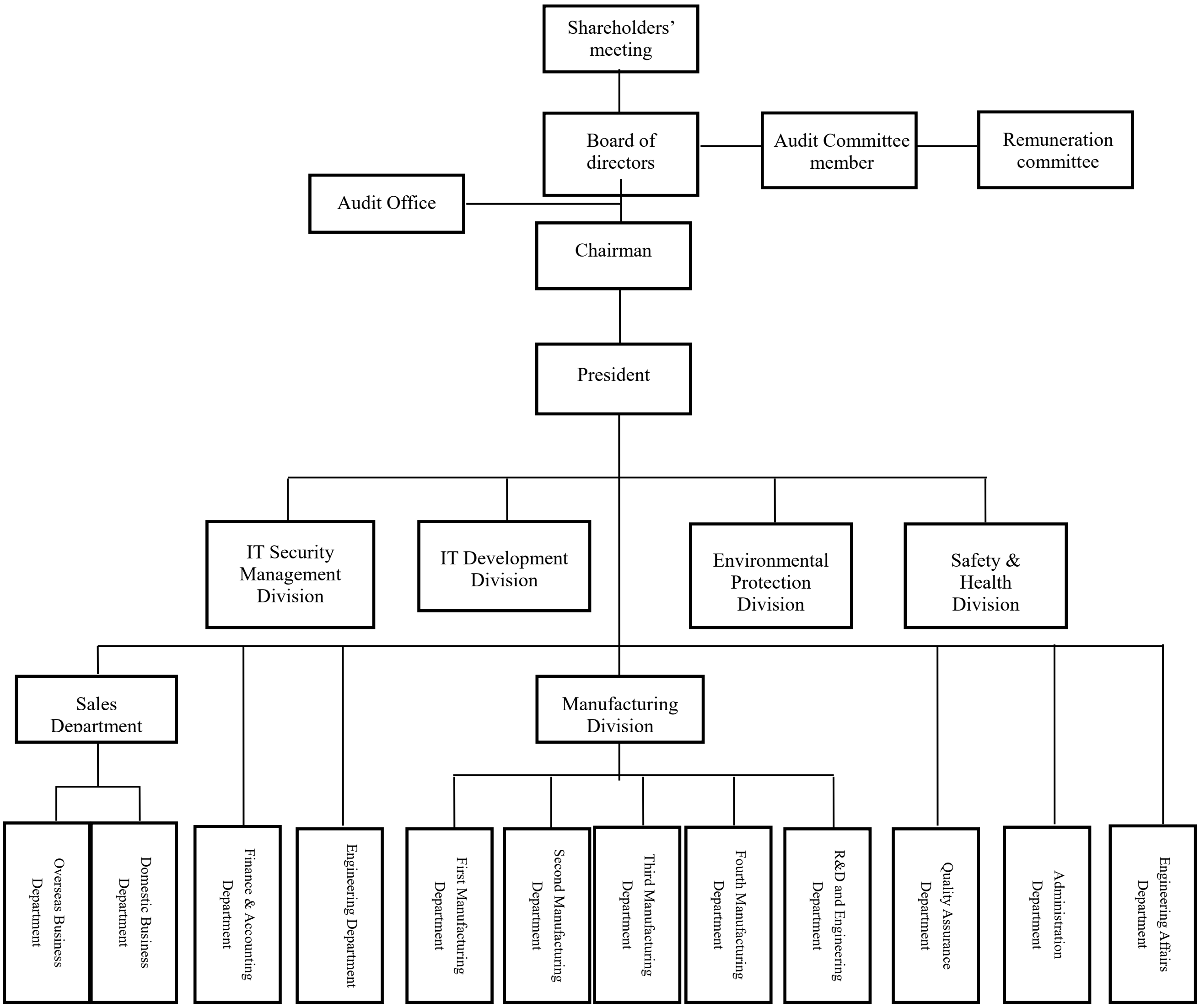
(2) Company History

1990	Establishment of the Headquarters in Taiwan, dedicated to the design of printed circuit boards (PCBs) and in pursuit of efficient production and quality management.
1993	Engagement in the front-end manufacturing process of PCBs by offering high-quality engineering design before production and manufacturing of samples
1995	Purchase of 450-ping land in Kengkou Village, Luzhu Township, Taoyuan County
1997	Completion of Luzhu No. 1 Campus 1 and move to the 1,500-ping plant owned by the company to meet the higher demand Company name changed from "柏成科技有限公司" to "柏承科技股份有限公司".
1998	Taiwan factory awarded with ISO-9002 certification
1999	Public offering
2000	IPO as a Type II share on September 14
2002	Traded on the OTC Market on January 22 Formal production commenced in September at Kunshun factory in Jiangsu Taiwan factory and Kunshan factory awarded with ISO 9001 certification Taiwan factory passed the TL 9000 R3.0 quality management system Taiwan factory awarded the ISO14001 environmental management system certification (valid until December 20, 2023)
2003	Listing on Taiwan Stock Exchange on October 22
2005	Introduction of the ISO/TS 16949 2002 quality management system at Taiwan factory to enhance operational health Introduction of HDI (High Density Interconnector) manufacturing process at Kunshan factory and initiation of trial production in small volumes
2006	Kunshan factory awarded the ISO14001 certification Listed as one of 200 Best Under A Billion by Forbes Asia
2007	Expansion of HDI capacity at Kunshan factory Taiwan factory awarded the TTQS silver medal and the education award by the Bureau of Employment and Vocational Training, Council of Labor Affairs
2009	Taiwan factory and Kunshan factory awarded the OHSAS18001 certification; Taiwan factory passed the TOSHMS certification
2010	Kunshan factory awarded with TS 16949 certification
2012	Taiwan factory awarded the CQC12001069305 certification and Kunshan factory awarded the QC080000 certification
2015	Kunshan factory IPO on NEEQ (National Equities Exchange and Quotations) on February 6
2016	Increased production at Taiwan factory of high-end probe PCBs, load boards and burn-in boards for wafer testing Kunshan factory passed the certification in clean production
2017	Enhancement of high-end test board capabilities at Taiwan factory to the smallest pitch of 0.4mm
2018	Conversion of TS16949 to IATF16949 certification at Taiwan factory Addition of ENEPIG production lines at Taiwan factory Ramp-up of HDI rigid-flex boards at Kunshan factory Application by Kunshan factory to delist from NEEQ
2020	Establishment of Plotech (Nantong) Microcircuit Technology Co., Ltd. Intention of Kunshan factory to list on ChiNext Market, commencement of pre-IPO services by securities firms and application filed
2022	Kunshan factory withdrew from the mainland gem listing

Three. Corporate Governance Report

I. Organizational system

(1) Organizational structure



(2) Main departments and functions

Sales Department	Overseas Sales Division and Domestic Sales Division as the two subordinate units. Responsible for the assessment and development of markets, sales & planning, after-sales services and customer complaints handling.
Manufacturing Division	Manufacturing I to Manufacturing IV Divisions and R&D and Engineering Division as the subordinate units. Responsible for PCB manufacturing, R&D for improvement of manufacturing process, technologies and yields
Finance & Accounting Department	Responsible for financial management, fundraising, working capital management and utilization, accounts, taxation, preparation of financial reports, budgetary planning, gap analysis and control, cost calculation and handling of related matters
Engineering Department	Responsible for product specifications planning and definition; provision of production jigs for all manufacturing processes, planning of product certification schedules; and provision of testing data and test jigs for semi-finished goods and finished goods
Quality Assurance Department	Responsible for product quality inspections, product quality policies and quality enhancements; quality assurance of contractors; quality control during manufacturing processes; coordination with R&D and Engineering Division for manufacturing process improvements and after-sales services; product documentations; and relevant quality acceptance.
Administration Department	Responsible for HR, procurement, property management and maintenance
Engineering Affairs Department	Responsible for factory affairs and equipment management and maintenance

II. Information on the Company's Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and managers of all divisions and branches:

(1) Names and tenures of Directors and Supervisors, shareholdings held by Directors, Supervisors and minor children

April 22, 2023

Title	Nationality or place of registration	Name	Sex Age	Elected (appointed) date	Tenure	Initial elected date	Shareholdings when elected		No. of shares held currently (Note 1)		No. of shares held currently by spouse and minor children		No. of shares held in other names		Education and experience	Other positions held in the Company and other companies	Other managers, Directors or Supervisors who are a spouse or relatives within two degrees of kinship			Remarks
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Chairman	Republic of China	Lee Chi-Liang	Male 56-65 years old	June 17, 2022	3 years	November 20, 1997	8,671,246	7.47	8,671,246	7.65	0	0.00	12,609,300	11.12	EMBA, National Chengchi University Manager, Yang Yi Technology	PLOTECH (BVI)CO.,LTD PLOTECH (CAYMAN)CO.,LTD Plotech Technology (Kunshan) Co., Ltd. Plotech Technology (HK) Co., Ltd. Plotech (Nantong) Microcircuit Technology Co., Ltd. Chairman	Directors	Lee Chi-Ming	Brothers	None
Directors	Republic of China	Lee Chi-Ming	Male 66-75 years old	June 17, 2022	3 years	November 20, 1997	2,884,248	2.49	2,884,248	2.54	1,089,293	0.96	–	–	Aerospace Engineering, Air Force Institute of Technology Captain, Air Force Academy	None	Chairman	Lee Chi-Liang	Brothers	None
Directors	Republic of China	Houng Tsung-I	Male 56-65 years old	June 17, 2022	3 years	December 18, 2010	638,632	0.55	638,632	0.56	383	0.00	–	–	Department of Chemical Engineering, Ta-Hua College of Technology Manager, Hung Yuan PCB Co., Ltd.	Plotech Technology Co., Ltd. President	None	None	None	None
Directors	Republic of China	Lai Hung-Lin	Male 35-55 years old	June 17, 2022	3 years	June 17, 2022	31,500	0.03	31,500	0.03	0	0.00	–	–	Department of Electronics, Cheng-kung Senior Industrial Commercial Vocational School Sales Manager, Plotech Technology Co., Ltd.	Plotech Technology Co., Ltd. Manager, Sales Department	None	None	None	None
Independent director	Republic of China	Huang Chun-Yu	Male 56-65 years old	June 17, 2022	3 years	June 17, 2022	345,000	0.30	345,000	0.30	0	0.00	–	–	Department of Economics, College of Law and Business, Chung Hsing University Director, Triple H Capital	None	None	None	None	None
Independent director	Republic of China	Kan, Chin-Ti	Male 56-65 years old	June 17, 2022	3 years	June 17, 2022	0	0.00	0	0.00	0	0.00	–	–	MBA, University of California, Irvine Chairman of Sunye Asset Management Co., LTD.	None	None	None	None	None
Independent director	Republic of China	Chen Yi-Liang	Male 35-55 years old	June 17, 2022	3 years	June 22, 2016	0	0.00	0	0.00	0	0.00	–	–	Department of Accounting, Soochow University CPA at Yi Xiang & Co. ,Ltd	None	None	None	None	None

Note 1: No. of shares held as of April 22, 2023 (book closure date for the general shareholders' meeting) according to the registrar.

1. Major shareholders of institutional shareholders: not applicable

2. Professional qualifications of Directors and Supervisors and independence of Independent Directors

Requirements / Name	Professional qualifications and experiences	Not circumstances described in Article 30 of the Company Act	Independence (Note)					No. of independent directorships served for other public companies
			1	2	3	4	5	
Lee Chi-Ming	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently the Company's Chairman 3. Previously the Company's Chairman and Director	✓						None
Houng Tsung-I	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Previously the Company's President, Vice President and Director	✓						None
Lai Hung-Lin	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently the Company's President 3. Previously the Company's President, Vice President and Director	✓						None
Lai Hung-Lin	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently the Company's President 3. Currently the Company's President	✓						None
Huang ,Chun-Yu (Independent Director)	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently Chairman of Triple H Capital	✓	✓	✓	✓	✓	✓	None
Kan, Chin-Ti (Independent Director)	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Chairman of Sunye Asset Management Co., LTD.	✓	✓	✓	✓	✓	✓	None
Chen Yi-Liang (Independent Director)	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently CPA at Yi Xiang & Co.	✓	✓	✓	✓	✓	✓	None

Note: Please check "✓" in the box below for individual requirements if the independent director meets the criterion

(1) Independence

(2) Director, his/her spouse or any relative within two degrees of kinship not serving as a director, a supervisor or an employee of the Company or its affiliates

(3) Director, his/her spouse or any relative within two degrees of kinship (or under other names) not holding the Company's shares

(4) Not serving as a director, a supervisor or an employee of any company with specific ties with the Company

(5) Not previously receiving compensation for rendering of business, legal, finance or accounting services to the Company or its affiliates during the most recent two years

3. Board diversity and independence

The Board currently consists of seven Directors, i.e., three Non-Executive Directors, three Independent Directors and one Executive Director (President Houng Tsung-I). Board members are equipped with extensive experience and expertise in finance, business and management. This is detailed in the table below.

A diversity of core areas	Nationality	Sex	Also serving as the Company's employee	Age			Professional background	Operational judgement	Accounting and finance analysis	Business managemen t	Crisis management	Industry knowledge	International market perspectives	Leadership	Decision-mak ing ability
Director's name				35-55	56-65	66-75									
Lee Chi-Liang	Republic of China	Male			✓		Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Lee Chi-Ming	Republic of China	Male				✓	Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Houng Tsung-I	Republic of China	Male	✓		✓		Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Lai Hung-Lin	Republic of China	Male	✓	✓			Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Huang ,Chun-Yu (Independent Director)	Republic of China	Male			✓		Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Kan, Chin-Ti (Independent Director)	Republic of China	Male			✓		Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chen Yi-Liang (Independent Director)	Republic of China	Male		✓			Business management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent

(2) President, Vice Presidents, Assistant Vice Presidents, department and branch managers

April 22, 2023

Job title	Nationality	Name	Sex	Inauguration Date	No. of shares held (Note 1)		No. of shares held by spouse and minor children		No. of shares held in other names		Education and experience	Positions currently held with other companies	Managerial roles served by the spouse or a relative within two degrees of kinship			Remarks
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
President	Republic of China	Houng Tsung-I	Male	May 12, 2020	638,632	0.56	383	0.00	–	–	Department of Chemical Engineering, Ta-Hua College of Technology Manager, Hung Yuan PCB Co., Ltd.	None	None	None	None	None
Assistant Vice President, Manufacturing Department	Republic of China	Wang Kun-Hui	Male	September 1, 2010	22,655	0.02	0	0.00	–	–	Department of Mechanical Motions, Tungnan Institute of Technology Manager, Xun Tong Technology Co., Ltd.	None	None	None	None	None
Manager, Sales Department	Republic of China	Lai Hung-Lin	Male	April 16, 1995	31,500	0.03	0	0.00	–	–	Department of Electronics, Cheng-kung Senior Industrial Commercial Vocational School Sales Manager, Plotech Technology Co., Ltd.	None	None	None	None	None
Engineering manager	Republic of China	Wen ,Shu-Mei	Female	March 1, 2018	598	0.0	363	0.00	–	–	St.Francis Xavier High School Department of Accounting and Statistics Manager of Engineering department of Plotech Technology Co., Ltd.	None	None	None	None	None
Quality Assurance Manager	Republic of China	Li ,Hun-Wan	Male	April 1, 2021	0	0.00	0	0.00	–	–	Taipei Tech Electrical Engineering Department Deputy quality assurance manager of Procoat-Tech Co.,Ltd	None	None	None	None	None
Management Department Manager	Republic of China	Hsing, Chien-Yeh	Male	March 1, 2023	0	0.00	0	0.00	–	–	Department of Electronics of The Affiliated Taoyuan Agricultural & Industrial Senior High School of National Taipei University of Technology Deputy manager of Management Department of Plotech Technology Co., Ltd.	None	None	None	None	None
Manager, Department of Finance & Accounting	Republic of China	Hung Yu-Feng	Female	November 1, 2003	32,004	0.03	463	0.00	–	–	Graduate Institute of Accounting, National Taiwan University Assistant Manager, **PwC Taiwan**	None	None	None	None	None

Note: No. of shares held by shareholders on the register as of April 22, 2023, the book closure day for the general shareholders' meeting.

(3) If Chairperson and President or a person of an equivalent post (the highest level manager) are the same person, spouses to each other or relatives within one degree of kinship, the reasons for this, the reasonableness and necessity thereof and the measures adopted in response thereto should be provided: not applicable.

III. Remuneration to Directors, Supervisors, President and Vice Presidents during the most recent year:

1. Remuneration to Directors and Independent Directors

2022 Unit: NT$1,000, No. of 1,000 shares

Title	Name	Remuneration of Directors								Sum of A, B, C and D and as % of net income (Note 10)		Compensation received as an employee								Sum of A, B, C, D, E, F and G and as % of net income (Note 10)		Compensation received from non-subsidiary investees or the parent company
		Compensation (A) (Note 2)		Pension scheme (B)		Remuneration of directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonus and allowance (E) (Note 5)		Pension scheme (F)		Employee's remuneration (G) (Note 6)						
		Parent Company	All companies included in the financial reports (Note 7)	Parent Company	All companies included in the financial reports (Note 7)	Parent Company	All companies included in the financial reports (Note 7)	Parent Company	All companies included in the financial reports (Note 7)	Parent Company	All companies included in the financial reports (Note 7)	Parent Company	All companies included in the financial reports (Note 7)	Parent Company	All companies included in the financial reports (Note 7)	Parent Company		All companies included in the financial reports (Note 7)		Parent Company	All companies included in the financial reports (Note 7)	
																Cash bonus	Stock dividends	Cash bonus	Stock dividends			
Directors & Chairman	Lee Chi-Liang	0	0	0	0	100	100	60	60	(0.1086)	(0.1086)	0	3,168	0	0	0	0	0	0	(0.1086)	(2.2593)	None
Directors	Lee Chi-Ming	0	0	0	0	100	100	60	60	(0.1086)	(0.1086)	0	0	0	0	0	0	0	0	(0.1086)	(0.1086)	
Directors & President	Houng Tsung-I	0	0	0	0	100	100	60	60	(0.1086)	(0.1086)	2,992	2,992	25	25	0	0	0	0	(2.1567)	(2.1567)	
Directors	Lai Hung-Lin (Note 1)	0	0	0	0	0	0	35	35	(0.0238)	(0.0238)	870	870	10	10	0	0	0	0	(0.6212)	(0.6212)	
Independent director	Huang ,Chun-Yu	0	0	0	0	0	0	95	95	(0.0645)	(0.0645)	0	0	0	0	0	0	0	0	(0.0645)	(0.0645)	
Independent director	Kan, Chin-Ti (Note 1)	0	0	0	0	0	0	95	95	(0.0645)	(0.0645)	0	0	0	0	0	0	0	0	(0.0645)	(0.0645)	
Independent director	Chen Yi-Liang (Note 1)	0	0	0	0	100	100	144	144	(0.1656)	(0.1656)	0	0	0	0	0	0	0	0	(0.1656)	(0.1656)	
Directors	Chao Yung-Yi (Note 2)	0	0	0	0	100	100	30	30	(0.0883)	(0.0883)	0	0	0	0	0	0	0	0	(0.0883)	(0.0883)	
Independent director	Lin Hui-Yu (Note 2)	0	0	0	0	100	100	54	54	(0.1045)	(0.1045)	0	0	0	0	0	0	0	0	(0.1045)	(0.1045)	
Independent director	Tien Ying-Chien (Note 2)	0	0	0	0	100	100	54	54	(0.1045)	(0.1045)	0	0	0	0	0	0	0	0	(0.1045)	(0.1045)	

1.Please describe the policy, system, standard and structure of the remuneration to independent directors and the relation between the amount paid and the factors such as responsibilities, risks and time commitments: Remuneration to directors is in accordance the Articles of Incorporation. The Board of Directors decides on the remuneration to directors at no more than 1%.

2.Other than what is shown in the table above, any compensations paid to directors for rendering services (e.g., consulting in a non-employee capacity) to the parent company / any company mentioned in the financial report / any investee during the most recent year: none

Note 1: June 17, 2022 New election Note 2: June 17, 2022 election

Ranges of Remuneration Paid to Each Director of the Company	Director's name			
	A+B+C+D		A+B+C+D+E+F+G	
	Parent company (Note 8)	All companies included in the financial reports (Note 9) H	Parent company (Note 8)	All companies included in the financial reports (Note 9) I
< NT$1,000,000	Lee Chi-Liang, Lee Chi-Ming, Houng Tsung-I,Lai Hung-Lin,Huang ,Chun-Yu,Kan Chin-Ti, Chen Yi-Liang, Chao Yung-Yi , Lin Hui-Yu,Tien Ying-Chien		Lee Chi-Liang, Lee Chi-Ming, Lai Hung-Lin,Huang ,Chun-Yu,Kan Chin-Ti, Chen Yi-Liang, Chao Yung-Yi ,Lin Hui-Yu,Tien Ying-Chien	Lee Chi-Ming, Lai Hung-Lin,Huang ,Chun-Yu,Kan Chin-Ti, Chen Yi-Liang, Chao Yung-Yi ,Lin Hui-Yu,Tien Ying-Chien
NT$1,000,000 to less than NT$2,000,000				
NT$2,000,000 to less than NT$3,500,000			Houng Tsung-I	Lee Chi-Liang , Houng Tsung-I
NT$3,500,000 to less than NT$5,000,000				
NT$ 5,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
NT$10,000,000 to less than NT$15,000,000				
NT$1 5,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 to less than NT$100,000,000				
> NT$100,000,000				
Total	10		10	10

Note 1: Directors' names should be listed individually. (The name of a legal-person shareholder and its representative should be listed separately.) The itemized and total amounts paid to Directors and Independent Directors should be disclosed. If A Director is also President or a Vice President, please fill in this form and (3-1) or (3-2) in the following form.

Note 2: Remuneration to Directors during the most recent year (including salaries, allowances, severance pays, bonuses and incentives)

Note 3: Remuneration to Directors approved by the Board of Directors for the most recent year

Note 4: Business execution expenses paid to Directors during the most recent year (including traffic allowances, special allowances, benefits, dormitories, cars, etc.) If apartments, cars and other transportation vehicles or personal expenses are provided, it is necessary to disclose the nature and the cost of the assets offered, as well as rents, petroleum costs and other payments based on actual or fair market prices. If a driver is provided, please explain the compensation paid by the Company to the driver. However, this is not included in the remuneration.

Note 5: Salaries, allowances, severance pays, bonuses, incentives, traffic allowances, special allowances, benefits, dormitories, company cars to Directors who are also employees (including President, Vice Presidents, managers and employees) during the most recent year If apartments, cars and other transportation vehicles or personal expenses are provided, it is necessary to disclose the nature and the cost of the assets offered, as well as rents, petroleum costs and other payments based on actual or fair market prices. If a driver is provided, please explain the compensation paid by the Company to the driver. However, this is not included in the remuneration. Please explain the compensation paid by the Company to the driver. However, this is not included in the remuneration. According to IFRS 2 - Share-based Payments, recognized salaries and expenses (including employee share warrants, new restricted shares to employees and subscription to new shares) should be included.

Note 6: If Directors who are also employees (including President, Vice Presidents, managers and employees) received employees' compensations (including cash and stock dividends) during the most recent year, it is necessary to disclose the amount of employees' compensations approved by the Board of Directors for the most recent year. If estimates for this year are not possible, please calculate based on the percentage actually allocated during the prior year and fill in Appendix 1-3 accordingly.

Note 7: It is necessary to disclose the total amount of remunerations to Directors by all companies (including the Company) in the consolidated financial reports.

Note 8: Directors' names should be disclosed in the corresponding range for the total remuneration paid to each Director by the Company.

Note 9: Directors' names should be disclosed in the corresponding range for the total remuneration paid to each Director by the all companies (including the Company) in the consolidated financial report.

Note 10: Net income refers to the net income of the most recent year. If the IFRS is adopted, it refers to the net income during the most recent year based on the parent company only financial statements or individual financial statements for companies without subsidiaries.

Note 11:

a. Please provide the amount of compensations paid to the Company's Directors by non-subsidiary investees or the parent company. (Blank if not applicable)

b. If the Company's Directors receive compensations from non-subsidiary investees or the parent company, the compensations received from non-subsidiary investees should be included in Column I for ranges of remunerations and change the column name into "Parent company and all investees".

c. Compensations refer to the pays, remunerations (to employees, directors and supervisors) and business execution expenses received by the Company's Directors who serve as a director, a supervisor or a manager with a non-subsidiary investee or the parent company.

＊The remunerations disclosed in this table are based on concepts different from the income tax law. Hence, the disclosure in the table is not for tax purposes.

2. Remuneration of Supervisors

2022 Unit: NT$1,000, No. of 1,000 shares

Title	Name	Remuneration of Supervisors						Sum of A, B and C and as % of net income (Note 8)		Compensation received from an investee (not a subsidiary) or the parent company (Note 9)
		Compensation (A) (Note 2)		Compensation (B) (Note 3)		Business execution expenses (C) (Note 4)				
		Parent Company	All companies included in the financial reports (Note 5)	Parent Company	All companies included in the financial reports (Note 5)	Parent Company	All companies included in the financial reports (Note 5)	Parent Company	All companies included in the financial reports (Note 5)	
Supervisors	Chen Yi-Hung (Note)	0	0	100	100	60	60	(0.1086)	(0.1086)	None
Supervisors	Liang Jung-Hsiang (Note)	0	0	100	100	60	60	(0.1086)	(0.1086)	

Note: June 17, 2022 Removal

Ranges of Remuneration Paid to Each Supervisor of the Company	Supervisor's name	
	A+B+C	
	The Company (Note 6)	All companies included in the financial reports (Note 7) D
< NT$1,000,000	Chen Yi-Hung ,Liang Jung-Hsiang	Chen Yi-Hung ,Liang Jung-Hsiang
NT$1,000,000 to less than NT$2,000,000	–	–
NT$2,000,000 to less than NT$3,500,000	–	–
NT$3,500,000 to less than NT$5,000,000	–	–
NT$5,000,000 to less than NT$10,000,000	–	–
NT$10,000,000 to less than NT$15,000,000	–	–
NT$15,000,000 to less than NT$30,000,000	–	–
NT$30,000,000 to less than NT$50,000,000	–	–
NT$50,000,000 to less than NT$100,000,000	–	–
> NT$100,000,000	–	–
Total	2	2

Note 1: Supervisors' names should be listed individually. (The name of a legal-person shareholder and its representative should be listed separately.) The itemized and total amounts should be disclosed.

Note 2: Remuneration to Supervisors during the most recent year (including salaries, allowances, severance pays, bonuses and incentives).

Note 3: Remuneration to Supervisors approved by the Board of Directors for the most recent year

Note 4: Business execution expenses paid to Supervisors during the most recent year (including traffic allowances, special allowances, benefits, dormitories, cars, etc.) If apartments, cars and other transportation vehicles or personal expenses are provided, it is necessary to disclose the nature and the cost of the assets offered, as well as rents, petroleum costs and other payments based on actual or fair market prices. If a driver is provided, please explain the compensation paid by the Company to the driver. However, this is not included in the remuneration.

Note 5: It is necessary to disclose the total amount of remunerations to Supervisors by all companies (including the Company) in the consolidated financial reports.

Note 6: Supervisors' names should be disclosed in the corresponding range for the total remuneration paid to each Supervisor by the Company.

Note 7: Supervisors' names should be disclosed in the corresponding range for the total remuneration paid to each Supervisor by the all companies (including the Company) in the consolidated financial report.

Note 8: Net income refers to the net income of the most recent year. If the IFRS is adopted, it refers to the net income during the most recent year based on the parent company only financial statements or individual financial statements for companies without subsidiaries.

Note 9:

a. Please provide the amount of compensations paid to the Company's Supervisors by non-subsidiary investees or the parent company. (Blank if not applicable)

b. If the Company's Supervisors receive compensations from non-subsidiary investees or the parent company, the compensations received from non-subsidiary investees should be included in Column D for ranges of remunerations and change the column name into "Parent company and all investees".

c. Compensations refer to the pays, remunerations (to employees, directors and supervisors) and business execution expenses received by the Company's Supervisors who serve as a director, a supervisor or a manager with a non-subsidiary investee or the parent company.

＊The remunerations disclosed in this table are based on concepts different from the income tax law. Hence, the disclosure in the table is not for tax purposes.

3. Remuneration of President and Vice Presidents

2022 Unit: NT$1,000, No. of 1,000 shares

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A) (Note 2)</th><th colspan="2">Pension (B)</th><th colspan="2">Bonuses and special allowances, etc. (C) (Note 3)</th><th colspan="4">Remuneration of employees(Note 4)</th><th colspan="2">Sum of A, B, C and D and as % of net income (Note 8)</th><th rowspan="3">Compensation received from non-subsidiary investees or the parent company (Note 9)</th></tr>
<tr><th rowspan="2">Parent Company</th><th rowspan="2">All companies included in the financial reports (Note 5)</th><th rowspan="2">Parent Company</th><th rowspan="2">All companies included in the financial reports (Note 5)</th><th rowspan="2">Parent Company</th><th rowspan="2">All companies included in the financial reports (Note 5)</th><th colspan="2">Parent Company</th><th colspan="2">All companies included in the financial reports (Note 5)</th><th rowspan="2">Parent Company</th><th rowspan="2">All companies included in the financial reports (Note 5)</th></tr>
<tr><th>Amount (cash)</th><th>Amount (shares)</th><th>Amount (cash)</th><th>Amount (shares)</th></tr>
<tr><td>President</td><td>Lee Chi-Liang</td><td rowspan="5">2,992</td><td rowspan="5">12,000</td><td rowspan="5">26</td><td rowspan="5">26</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">(2.0488)</td><td rowspan="5">(8.1640)</td><td rowspan="5">None</td></tr>
<tr><td>President</td><td>Houng Tsung-I</td></tr>
<tr><td>Vice President</td><td>Liang Jung-Hsiang</td></tr>
<tr><td>Vice President</td><td>Chang Ming-Li</td></tr>
<tr><td>Vice President</td><td>Huang Kun-Hsiung</td></tr>
</table>

<table>
<tr><th rowspan="2">Range of remuneration to President and Vice Presidents</th><th colspan="2">Names of President and Vice Presidents</th></tr>
<tr><th>The Company (Note 6)</th><th>All companies included in the financial reports (Note 7) E</th></tr>
<tr><td>< NT$1,000,000</td><td>—</td><td>—</td></tr>
<tr><td>NT$1,000,000 to less than NT$2,000,000</td><td>—</td><td>Huang Kun-Hsiung</td></tr>
<tr><td>NT$2,000,000 to less than NT$3,500,000</td><td>Houng Tsung-I</td><td>Lee Chi-Liang ,Hung Tsung-Yi,Liang Jung-Hsiang ,Chang Ming-Li</td></tr>
<tr><td>NT$3,500,000 to less than NT$5,000,000</td><td>—</td><td>—</td></tr>
<tr><td>NT$5,000,000 to less than NT$10,000,000</td><td>—</td><td>—</td></tr>
<tr><td>NT$10,000,000 to less than NT$15,000,000</td><td>—</td><td>—</td></tr>
<tr><td>NT$15,000,000 to less than NT$30,000,000</td><td>—</td><td>—</td></tr>
<tr><td>NT$30,000,000 to less than NT$50,000,000</td><td>—</td><td>—</td></tr>
<tr><td>NT$50,000,000 to less than NT$100,000,000</td><td>—</td><td>—</td></tr>
<tr><td>> NT$100,000,000</td><td>—</td><td>—</td></tr>
<tr><td>Total</td><td>1</td><td>5</td></tr>
</table>

Note 1: President's and Vice Presidents' names should be listed individually. The itemized and total amounts should be disclosed. If A Director is also President or a Vice President, please fill in this form and (1-1) or (1-2) of the form above.
Note 2: Salaries, allowances and severance pays to President and Vice Presidents during the most recent year
Note 3: Bonuses, incentives, traffic allowances, special allowances, benefits, dormitories, company cars and other compensations to President and Vice Presidents during the most recent year If apartments, cars and other transportation vehicles or personal expenses are provided, it is necessary to disclose the nature and the cost of the assets offered, as well as rents, petroleum costs and other payments based on actual or fair market prices. If a driver is provided, please explain the compensation paid by the Company to the driver. However, this is not included in the remuneration. According to IFRS 2 - Share-based Payments, recognized salaries and expenses (including employee share warrants, new restricted shares to employees and subscription to new shares) should be included.
Note 4: Please provide the employee compensations (including cash and stock dividends) received by President and Vice Presidents as approved by the Board of Directors for the most recent year. If estimates for this year are not possible, please calculate based on the percentage actually allocated during the prior year and fill in Appendix 1-3 accordingly. Net income refers to the net income of the most recent year. If the IFRS is adopted, it refers to the net income during the most recent year based on the parent company only financial statements or individual financial statements for companies without subsidiaries.
Note 5: It is necessary to disclose the total amount of remunerations to President and Vice Presidents by all companies (including the Company) in the consolidated financial reports.
Note 6: President's and Vice Presidents' names should be disclosed in the corresponding range for the total remuneration paid to President and each Vice President by the Company.
Note 7: President's and Vice Presidents' names should be disclosed in the corresponding range for the total remuneration paid to the Company's President and each Vice President by all companies (including the Company) in the consolidated financial report.
Note 8: Net income refers to the net income of the most recent year. If the IFRS is adopted, it refers to the net income during the most recent year based on the parent company only financial statements or individual financial statements for companies without subsidiaries.
Note 9:

a. Please provide the amount of compensations paid to the Company's President and Vice Presidents by non-subsidiary investees or the parent company. (Blank if not applicable)
b. If the Company's President and Vice Presidents receive compensations from non-subsidiary investees or the parent company, the compensations received from non-subsidiary investees should be included in Column E for ranges of remunerations and change the column name into "Parent company and all investees".
c. Compensations refer to the pays, remunerations (to employees, directors and supervisors) and business execution expenses received by the Company's President and Vice Presidents who serve as a director, a supervisor or a manager with a non-subsidiary investee or the parent company.

＊The remunerations disclosed in this table are based on concepts different from the income tax law. Hence, the disclosure in the table is not for tax purposes.

4. Managers who allocate employees' remunerations and the situation of allocations:

FY 2022 Unit: NT$1,000

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Amount (shares)</th><th>Amount (cash)</th><th>Total</th><th>Total as % of net income</th></tr>
<tr><td rowspan="7">Manager</td><td>President</td><td>Houng Tsung-I</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">0</td></tr>
<tr><td>Assistant Vice President, Manufacturing Department</td><td>Wang Kun-Hui</td></tr>
<tr><td>Manager, Sales Department</td><td>Lai Hung-Lin</td></tr>
<tr><td>Engineering manager</td><td>Wen ,Shu-Mei</td></tr>
<tr><td>Quality Assurance Manager</td><td>Li ,Hun-Wan</td></tr>
<tr><td>Management Department Manager</td><td>Hsing, Chien-Yeh</td></tr>
<tr><td>Manager, Department of Finance & Accounting</td><td>Hung Yu-Feng</td></tr>
</table>

5. Remunerations paid to the Company's Directors, Supervisors, President and Vice Presidents by all the companies, including the Company, in the consolidated financial statements during the two most recent year as percentage of net income in the parent company only financial statements or individual financial statements for companies without subsidiaries; policy and standards of such remunerations:

Remunerations paid to the Company's Directors, Supervisors, President and Vice Presidents by the Company during the two most recent year as percentage of net income in the parent company only financial statements or individual financial statements for companies without subsidiaries

2022 Unit: NT$1,000

Year	Total remuneration to Directors, Supervisors, President and Vice Presidents (NT$1,000)		Total as % of net income	
	Parent Company	All companies included in the financial reports	Parent Company	All companies included in the financial reports
2021	3,141	12,280	0.86	3.37
2022	5,544	14,552	(3.76)	(9.88)

Remuneration policy, standards and combinations, procedures of determining remunerations and connection with operating performance:

The Company observes the regulations specified in its Articles of Incorporation in the remunerations paid to Directors, Supervisors, President and Vice Presidents. And decided in reference to industry standards.

IV. Functioning of corporate governance

(1) Functioning of the Board:

1. The board of directors has held 9 meetings in the recent year. (A) The attendance of directors is as follows:

<table>
<tr><th>Title</th><th>Name</th><th>Attendance in person (B)</th><th>Attendance by proxy</th><th>Attendance rate in person (%)【B/A】</th><th>Remarks</th></tr>
<tr><td>Chairman</td><td>Lee Chi-Liang</td><td>9</td><td>0</td><td>100</td><td></td></tr>
<tr><td>Directors</td><td>Lee Chi-Ming</td><td>9</td><td>0</td><td>100</td><td></td></tr>
<tr><td>Directors</td><td>Houng Tsung-I</td><td>9</td><td>0</td><td>100</td><td></td></tr>
<tr><td>Directors</td><td>Lai Hung-Lin</td><td>5</td><td>0</td><td>100</td><td rowspan="3">June 17, 2022 New election Term of Service The number of meetings is 5</td></tr>
<tr><td>Independent director</td><td>Huang ,Chun-Yu</td><td>5</td><td>0</td><td>100</td></tr>
<tr><td>Independent director</td><td>Kan, Ching-Ti</td><td>5</td><td>0</td><td>100</td></tr>
<tr><td>Independent director</td><td>Chen Yi-Liang</td><td>9</td><td>0</td><td>100</td><td></td></tr>
<tr><td>Directors</td><td>Chao Yung-Yi</td><td>4</td><td>0</td><td>100</td><td>June 17, 2022 Resigned</td></tr>
</table>

Independent director	Lin Hui-Yu	4	0	100	Term of Service The number of meetings is 4
Independent director	Tien Ying-Chien	4	0	100	

Other matters that should be noted:

1. In case of any of the following circumstances with the functioning of the Board of Directors, it is necessary to provide the board meeting dates, sessions, agendas, opinions from all Independent Directors and the ways the Company handles such opinions:
   (1) Matters specified in Article 14-3 of the Securities and Exchange Act
   (2) Other than the aforesaid circumstances, any resolutions passed by the Board of Director for which Independent Director(s) have expressed dissenting opinions or such dissenting opinions were recorded or prepared as a written declaration
2. For any recusal by Directors from proposals due to conflict of interest, it is necessary to provide the names of Directors, proposal contents, reasons for the required recusal and participating in voting: none
3. A TWSE/TPEx listed company should disclose the cycles, periods, scopes, method and contents of self-assessments (or peer assessments) of the Board of Directors and fill in Table 2 (2) for the implementation of Board assessments.
4. Objectives in enhancement of Board functions (e.g., establishment of Audit Committee and improvement of information transparency) and assessment of implementation during the current year and the most recent year: none

2. Implementation of Board assessments

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content
Once a year	Jan 1 to Dec 31 each year	Performance review of the Board, individual Directors and functional committees	The Board's self-assessments, Directors' self-assessments, peer assessment or performance review by commissioning external organizations, experts or in other appropriate means	1. Performance review of the Board of Directors 2. Performance review of Directors (self or peer assessments) 3. Performance review of functional committees

Note: The Company's Board of Directors on November 12, 2019 passed "Guidelines on Self-Assessments or Peer Assessments by Board of Directors" and on March 18, 2021 renamed these guidelines into "Methods of Board Performance Assessments".Performance review is conducted once a year and the assessment outcome shall be disclosed.

(2) Functioning of Audit Committee or Supervisors' participation of the Board's functioning

1. Functioning of Audit Committee:

The board of directors has held 5 meetings in the recent year. (A) The attendance of directors is as follows:

Title	Name	Attendance in person (B)	Attendance rate in person (%) 【B/A】	Remarks
Independent director	Chen Yi-Liang	5	100	June 17, 2022 New election Term of Service The number of meetings is 5
Independent director	Huang ,Chun-Yu	5	100	
Independent director	Kan, Ching-Ti	5	100	

Other matters that should be noted:

1. In case of any of the following circumstances in the operation of the audit Committee, the date and period of the audit committee, the content of the proposal, the objection of the independent director, the reservation or the content of the major proposal item, the result of the resolution of the audit committee and the company's handling of the opinion of the Audit Committee shall be stated.

(1) Matters specified in Article 14-5 of the Securities and Exchange Act:

Commission date	Motion content	Opinion of the audit committee	Handling of the audit committee's opinions
June 28, 2022	1. Election of convenor of the Audit Committee 2. Discuss the case of our company as joint and several guarantor	None	Not applicable.
August 10, 2022	1. Discuss the financial report for Q2 of 2022 2. Discuss the company's bank credit case	None	Not applicable.
September 20, 2022	Discussion of the repurchase of the Company's common stock	None	Not applicable.
September 28, 2022	Discussion on the withdrawal of the initial public offering of RMB ordinary shares (A	None	Not applicable

	shares) of Plotech Technology (Kunshan) Company Limited, a subsidiary of the Company, and its application for listing on the Shenzhen Stock Exchange		
November 9, 2022	1. Discuss the financial report for Q3 of 2022 2. New capital loan and related enterprise cases 3. Discuss whether disguised financing is a case of capital loan 4. Annual audit plan of the company 5. Revise the company's [public offering companies to establish internal control system treatment standards] 6. Pass the bank credit case	None	Not applicable
March 28, 2023	1. Recognize the 111 annual business report and financial statements 2. Adoption of the profit and loss appropriation 3. Adoption of the statement of internal control 4. Discuss whether disguised financing is a case of capital loan 5. Discuss the case of our company as joint and several guarantor	None	Not applicable
May 10, 2023	1. Discuss the financial report for Q1 of 2023 2. Discuss whether disguised financing is a case of capital loan	None	Not applicable

(2) Other matters not approved by the Audit Committee but approved by more than two-thirds of all directors, except those previously mentioned.

2. The independent director shall state the name of the independent director, the content of the proposal, the reason for his withdrawal and the situation of his participation in the voting: None.

3. Communication between the independent director and the internal audit supervisor and the accountant (including major issues, methods and results of communication on the company's financial and business status) : The audit supervisor will submit the audit report to the independent director for review regularly, so that the independent director can understand whether there is any abnormal situation in the operation of the company; In addition, after the quarterly audit (or audit) of the accountant, the results of the financial position audit will be reported to and communicated with the accountant.

2. Supervisors' participation of the Board's functioning:

The most recent annual board meeting was held four times (A) with the following supervisors in attendance:

Title	Name	Attendance in person (B)	Attendance rate in person (%) 【B/A】	Remarks
Supervisors	Chen Yi-Hung	4	100	June 17, 2022 Resigned Term of Service The number of meetings is 4
Supervisors	Liang Jung-Hsiang	4	100	

Other matters that should be noted:

1. Composition and responsibility of Supervisors:

(1) Supervisors' communication with the Company's employees and shareholders (e.g., communication channels and methods): If Supervisors think it is necessary, they may speak directly with employees or shareholders.

(2) Supervisors' communication with the Company's internal auditor managers and accountants (e.g, regarding the Company's financials and business, communication topics, methods and results). Audit managers submit regular reports to Supervisors for review, so that Supervisors understand any abnormality with the Company's operation. In addition, after the accountants have completed the quarter audit (or review), they also report to Supervisors regarding the results of inspections on financials and communicate about governance.

2. If Supervisors have expressed opinions at Board meetings, it is necessary provide the board meeting dates, sessions, agendas, opinions and the ways the Company handles Supervisors' opinions: none

(3) Functioning of corporate governance, differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences:

Assessment items	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasonable for such differences
	Yes	No	Summary and explanation	
1. Has the Company established and disclosed its practical guidelines on corporate governance, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established its guidelines on corporate governance in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and disclosed the guidelines via Market Observation Post System (MOPS) and the company website.	In adherence with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
2. Ownership structure and shareholders' equity (1) Has the Company established internal procedures for handling of suggestions/concerns from and disputes/litigations with shareholders, and implemented such procedures accordingly? (2) Does the Company have the list of ultimate controlling shareholders and the ultimate controllers of major shareholders? (3) Has the Company established and implemented risk control and firewalls between affiliates? (4) Has the Company established internal regulations to prohibit insiders from trading marketable securities by using non-public information?	✓		(1) The Company's Spokesperson is responsible for investor relations. Lawyers are consulted for legal issues. The purpose is to effectively handle suggestions/concerns from and disputes/litigations with shareholders. (2) The Company discloses, on a monthly basis, the shareholdings and change to shareholdings of Directors, Supervisors and shareholders with at least a 10% stake via Market Observation Post System (MOPS). (3) The Company has established relevant systems as part of internal control according to laws. (4) The Company has established the Management Guidelines to Prevent Insider Trading, in order to prevent insider trading.	In adherence with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

3. Composition and responsibility of Board of Directors (1) Has the Board of Directors established a diversity policy, management targets and implemented accordingly regarding the board composition? (2) In addition to Remuneration Committee and Audit Committee required by laws, has the Company voluntarily established other functional committees? (3) Has the Company established the Board performance assessment guidelines and methods, conducted performance reviews once a year and provided the assessment results to the Board, as a reference to remunerations and nominations of individual directors? (4) Has the Company periodically assessed the independence of external accountants?	✓		(1) According to the Company's Practical Guidelines on Corporate Governance, the board composition should be diverse. To achieve corporate governance, the Board should possess the following capabilities: 1. Operational judgement 2. Accounting and financial analysis 3. Business management 4. Crisis management 5. Industry knowledge 6. International market outlook 7. Leadership 8. Decision-making Realization of board diversity in terms of individual directors is detailed in Note 1. (2) In addition to Remuneration Committee, the Company has established Special Review Committee to handle applications for overseas listings of subsidiaries. (3) The Company has established the guidelines on board performance reviews and has been conducted reviews accordingly. (4) The Company assesses the independence of external accountants each year by covering the following items: 1. Whether or not the external accountants serve as directors for the Company or the affiliates 2. Whether or not the external accountants are shareholders of the Company or the affiliates 3. Whether or not the external accountants receive salaries from the Company or affiliates 4. Whether or not the external accountants have borrowings from the Company 5. Whether or not the external accountants have been confirmed for adherence with independence requirements of the accounting firm 6. Has the joint certified public accountant of the joint accounting firm to which the visa accountant belongs not served as the director, manager of the company or held any position that has significant influence on the audit case within one year after his resignation? 7. Whether or not the external accountants have provided audit services to the Company for seven consecutive years The assessments found the Company's external accountants meet the independence requirement.	(1) Consistent with the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, without material differences (2) No difference (3) No difference (4) No difference
4. Has the TWSE/TPEx listed company allocated a suitable number of qualified corporate governance officers and appointed Corporate Governance Supervisor to take charge of corporate governance		✓	The Company has not established a dedicated (non-dedicated) corporate governance division. However, there is personnel handling corporate governance matters, such as provision of data required for functioning of	Consistent with the spirit of the Corporate Governance Best

matters (including but not limited to provision of data required for functioning of Directors and Supervisors; assistance to Directors and Supervisors in legal compliance; organization of board meetings and shareholders' meeting according to laws; company registrations or registration changes; production of minutes for board meetings and shareholders' meetings, etc.)?			Directors and Supervisors; assistance to Directors and Supervisors in legal compliance; organization of board meetings and shareholders' meeting according to laws; company registrations or registration changes; production of minutes for board meetings and shareholders' meetings,	Practice Principles for TWSE/TPEx Listed Companies, without material differences
5. Has the Company established the communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), constructed a stakeholder section on the company website and appropriately responded to corporate social responsibility issues pertinent to stakeholders?	✓		The Company has established multiple channels such as the spokesperson system and the website to provide the most updated information and communication. If Supervisors think it is necessary, they may speak directly with stakeholders.	Consistent with the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, without material differences
6. Whether the Company has commissioned a stock transfer agency to handle shareholders' meetings?	✓		The Company's shareholders' meetings are handled by the appointed stock transfer agency.	No difference
7. Information disclosure (1) Has the Company established a website to disclose financial and corporate governance information? (2) Has the Company adopted other information disclose methods (such as English-language website; appointment of dedicated personnel for collection and disclosure of corporate information; the spokesperson system; uploading capital market event presentations on the company website)? (3) Has the Company announced and filed its annual financial reports within two months after the end of a fiscal year and announced and filed its first, second and third quarterly financial reports and monthly revenues before deadlines?	✓ ✓ ✓		(1) The Company's website at http://www.plotech.com has a section for services to shareholders and discloses financial, business and other relevant information in a timely and transparent manner. Information related to corporate governance is also disclosed via the Market Observation Post System (MOPS) from time to time. (2) The Company has established English-language webpages. There is also dedicated personnel responsible for collection and disclosure of corporate information. The spokesperson system is in place. Capital market event presentations are uploaded to the company website too. (3) The Company discloses and files financial reports before statutory deadlines.	No difference

8. Is there any other important information that helps to understand the Company's corporate governance functioning (including but not limited to employees' rights; employees' care; investor relations; supplier relations; stakeholders' rights; continuing education of Directors and Supervisors; risk management policies, measurements and implementations; implementation of customer policies; and purchase of liability insurance for Directors and Supervisors)?	✓		Important information that helps the understanding of corporate governance functioning is disclosed as required by law via the Market Observation Post System (MOPS) or the Company's website. 1. Employees' rights: The Company protects labor rights in accordance with the Labor Standards Act. 2. Employees' care: The Company provides benefits such as group insurance, employees' travel subsidies and bonuses and upholds employees' rights by following the Labor Standards Act and relevant laws and regulations. In addition to regular convening of meetings by Labor Relations Committee, the Company also provides channels for employees' complaints and communication. There is also a robust document management system to detail management guidelines, employees' rights, obligations and benefits. 3. Investor relations: The Company's spokesperson handles suggestions from shareholders. 4. Supplier relations: The Company has established supplier management guidelines, to ensure the quality, delivery and prices offered by suppliers meet requirements and to foster good cooperation. 5. Stakeholders' rights: Stakeholders may communicate with the Company to uphold their rights. 6. Ongoing education of Directors and Supervisors: The Company organizes relevant programs for Directors and Supervisors' education as required. 7. Risk management policies, measurements and implementations: The Company has established risk management policies. Significant operational policies and major decisions such as endorsement & guarantee, borrowings and bank financing are assessed and analyzed by appropriate and responsible departments and resolved by the Board of Directors. Audit units formulate and implement annual audit plans according to risk assessment results, in order to ensure the functioning of oversight mechanisms and risk management measures. 8. Implementation of customer policies: The Company has established relevant units to provide customer services and handle complaints. The procedures for processing returns and replacements are in place, to protect customers' rights. 9. Purchase of liability insurance for Directors and Supervisors: The Company has purchased liability insurance for Directors and Supervisors.	Consistent with the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, without material differences
9. Please describe the improvements to date and the measures to address priority issues outstanding according to the corporate governance evaluation results for the most recent year published by TWSE Corporate Governance Center.	✓		The Company updates its list of self-assessment items for corporate governance according to actual circumstances. Except for unsuitable indicators, most items meet the spirit of corporate governance.	Consistent with the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, without material differences.

(4) In presence of Remuneration Committee or Nomination Committee, it is necessary to disclose the composition and the functioning status.

The Company's Board of Directors approved on December 12, 2011 the Remuneration Committee Charter, composition, and functioning as follows:

1. Members of Remuneration Committee

Requirements / Name Category	Professional qualifications and experiences	Not circumstances described in Article 30 of the Company Act	Independence (Note)					No. of independent directorships served for other public companies
			1	2	3	4	5	
Chen Yi-Liang (Convener) (Independent Director)	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently CPA at Yi Xiang & Co.	✓	✓	✓	✓	✓	✓	None
Kan, Chin-Ti (Independent Director)	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Chairman of Sunye Asset Management Co., LTD.	✓	✓	✓	✓	✓	✓	None
Chen Shu-Feng (Other)	1. Work experience in business, law, finance, accounting or sales required by the Company 2. Currently Assistant Vice President, Finance, Great China Air	✓	✓	✓	✓	✓	✓	None

Note: Please select "✓" if the condition is met.
(1) Independence
(2) Director, his/her spouse or any relative within two degrees of kinship not serving as a director, a supervisor or an employee of the Company or its affiliates
(3) Director, his/her spouse or any relative within two degrees of kinship (or under other names) not holding the Company's shares
(4) Not serving as a director, a supervisor or an employee of any company with specific ties with the Company
(5) Not previously receiving compensation for rendering of business, legal, finance or accounting services to the Company or its affiliates during the most recent two years

2. Functioning of Remuneration Committee

(1) The Company's Remuneration Committee has three members.

(2) Term of service of the fourth member: June 28, 2022 to June 16, 2025, Remuneration Committee

Two meetings (A) were convened during the most recent year. Members' qualifications and attendance are shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) 【B/A】	Remarks
Convener	Chen Yi-Liang	2	—	100	—
Committee member	Kan, Chin-Ti	1	—	100	June 17, 2022 Newly elected, one meeting during the term of office
Committee member	Chen Shu-Feng	2	—	100	—
Convener	Lin Hui-Yu	1	—	100	June 17, 2022 Newly elected, one meeting during the term of office

Other matters that should be noted:

1. If the Board of Directors did not adopt or amend according to Remuneration Committee's suggestions, it is necessary provide the board meeting dates, sessions, agendas, the Board's resolutions, opinions and the ways the Company handles Remuneration Committee's opinions. (If the remuneration approved by the Board of Directors was better than what was advised by Remuneration Committee, it is necessary to describe the difference and the reason for such a difference.)
2. If any member has expressed dissenting opinions or reservation for Remuneration Committee's decisions and there was a record or a written statement, it is necessary provide the Remuneration Committee meeting dates, sessions, agendas, opinions from all members and the ways these opinions were handled.

Note 1: If any member has departed from Remuneration Committee before the year end, the departure date should be noted in the Remark column. The attendance rate (%) is calculated by dividing the number of meetings convened by Remuneration Committee when the member was in service with the number of meetings attended.

Note 2: If any member of Remuneration Committee has been changed by appointment before the year end, the names of the existing members and the new member should both be provided. Whether a member is existing or new and the date of the new appointment or re-election should be noted. The attendance rate (%) is calculated by dividing the number of meetings convened by Remuneration Committee when the member was in service with the number of meetings attended.

(5) Advocacy and implementation of sustainable development, differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences:

Initiatives	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences
	Yes	No	Summary and explanation	
1. Has the Company established a governance structure for sustainable development and put in place a dedicated (non-dedicated) sustainable development division? Has the Board of Directors authorized senior managers for handling and overseen the implementation?		✓	Whilst the Company has not established a dedicated (non-dedicated) sustainable development division, it has been a long-standing sponsor of clothing for local patrol team members, radio equipment, local temple celebrations and schools.	Consistent with the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, without material

				differences
2. Has the Company conducted risk assessments in environmental, social and corporate governance issues, according to the materiality principle, and formulated relevant risk management policies or strategies?	✓		The Company's Practical Guidelines on Corporate Social Responsibility specify that risk assessments shall be conducted on environmental, social and corporate governance issues related to company operations and according to the materiality principle. Relevant risk management policies or strategies are then established.	Consistent with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
3. Environmental issues (1) Has the Company established a suitable environmental management system according to its industry characteristics? (2) Has the Company strived to enhance the efficiency of energy consumption and the use of recycled materials with a low environmental impact? (3) Has the Company assessed the potential risks and opportunities in climate change for now and the future and adopted responding measures in relation to climate change? (4) Has the Company calculated GHG emissions, water consumption and total waste weight during the past two years and formulated policies for energy efficiency, carbon and GHG emission reduction, lower water consumption and management of other wastes?	✓ ✓ ✓ ✓		(1) The Company has obtained the ISO14001 environmental management certificate. (2) The Company strives to boost the energy consumption efficiency and to use recycled materials with a low environmental impact. For instance, the use of recycled double-sided paper is encouraged. Internal resources are appropriately classified and recycled. Energy efficient products such as LED lamps are used to reduce electricity consumption. (3) The Company assesses potential risks of climate changefor now and the future and adopts responding measures for relevant issues.For example, office temperatures are controlled. Lights are switched off during lunch breaks to reduce electricity consumption and carbon emissions. The purpose is to lower the impact of corporate operations on the natural environment. (4) The Company endeavors to protect the environment by avoiding pollution of water, air and the land. To enhance the efficiency of water resource consumption, the Company has invested in a waste water reuse system this year, aiming to reduce waste water emissions by 65%. Wastes are processed externally by Class A waste management companies. The Company does its best in mitigation of adverse effects on human health and the environment, by adopting optimal and feasible measures in pollution prevention and control.	Consistent with the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, without material differences
4. Social issues (1) Has the Company formulated management policies and procedures according to relevant laws and international human rights conventions? (2) Has the Company formulated and implemented reasonable employee benefits (including wages, holidays and other benefits) and reflected operating performance or results appropriately to employees' compensation? (3) Does the Company provide a safe and healthy work environment and implement regular education in safety and health for employees?	✓ ✓ ✓		(1) The Company has formulated relevant management policies and procedures according to applicable laws, regulations and international human rights conventions. Labor insurance and National Health Insurance are provided. Pension distributions are allocated. Business insurance is purchased for employees. Work Rules are put in place so that employees understand their rights. (2) The Company has established and implemented reasonable employees' benefits (including wages, holidays, subsidies for employees' travels and scholarships for employees' children) and have reflected operating performance or results appropriately to employees' compensation.	Consistent with the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, without material differences

(4) Has the Company established an effective competence development programs for employees? (5) Has the Company complied with relevant laws, regulations and international standards and formulated relevant policies and complaints procedures to protect the rights of consumers or customers regarding products and services to address issues such as safety, health and privacy of customers, marketing and labeling? (6) Has the Company formulated supplier management policies, asked suppliers to adhere to and to implement relevant regulations in environmental protection, occupational safety and health or labor rights?	✓ ✓ ✓		(3) The Company has established Employee Welfare Committee and regularly organizes travel tours for employees for benefit of mind and body. Subsidies are provided for marriages, childbirths and funerals. The Company has also obtained the OHSAS18001 and TOSHMS certificates and organized regular health inspections for employees. (4) The Company provides competence training classes, internally and externally, to employees from time to time. (5) The Company's Practical Guidelines on Corporate Social Responsibility requireproducts and services in adherence with government laws and industry regulations. Products and servicesshall adhere to relevant laws and international standards in terms of customers' health, safety and privacy;marketing and labeling. No deceit, misleading, fraud or any other behavior detrimental to consumers' trust or rights is allowed. (6) The Company's Practical Guidelines on Corporate Social Responsibility requirethe assessment on how procurement behavior affects the environment and the society of the suppliers' communities and the collaboration with suppliers in the fulfillment of corporate social responsibility. The supplier management policy in place requires suppliers to abide by relevant regulations in issues such as environmental protection, occupational safety and health and labor rights.	
5. Has the Company prepared sustainability reports by following internationally accepted standards or guidelines to disclose non-financial information? Have the aforesaid reports assured or certified by a third party?		✓	The Company has not yet prepared sustainability reports.	Not yet consistent with the spirit of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
6. If the Company has established its principles in sustainable development by following the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe how its own principles are put into practice and whether there is deviation from the principles: no significant difference				
7. Other important information that helps to understand the status of sustainable development: none				

Note 1: If "Yes" is ticked for implementation status, please describe the important policies, strategies, measures and implementations in place. If "No" is ticked for implementation status, please explain in the column "Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reason for such differences" and provide relevant policies, strategies and measures under planning for the future.

Note 2: The materiality principle refers to the significant influence of environmental, social and corporate governance issues on investors and other stakeholders.

(6) Implementation of business ethics, differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences

Assessment items	Functioning status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary and explanation	
1. Formulation of business ethics policies and measures	✓			
(1) Has the Company formulated and the Board of Directors approved business ethics policies? Are business ethics policies and measures specified in regulations and documents to external parties? Are the Board of Directors and senior managers committed to the implementation?	✓		(1) The Company has established its Principles of Business Ethics. The Board of Directors and the management have proactively implemented these guidelines in internal management and external business activities.	Consistent with the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, without material differences
(2) Has the Company established a mechanism to assess the risks of unethical behavior, regularly analyzed and examined, within the scope of business, the operating activities with high risks of unethical behavior and designed schemes to avoid unethical behavior by covering at least the preventive measures prescribed in Article 7-2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?			(2) The Company's Principles of Business Ethics specify the matters of attention for managers and all employees in the course of business and the prevention of unethical behavior via training, education and advocacy on a timely basis. The purpose is to enable an understanding of the Company's commitment to business ethics and the consequences of breaching the policies and business ethics.	
(3) Has the Company formulated and implemented and periodically reviewed the operating procedures, behavioral guidelines, punitive measures and complaints system as part of the scheme to prevent unethical behavior?	✓		(3) The Company's Audit Office is responsible for defining the action plans, operating procedures, behavioral guidelines, punitive measures and complaints system to prevent unethical behavior. All these are incorporated into the internal control and management system for implementation, periodical reviews and amendments.	
2. Implementation of business ethics 、				Consistent with the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, without material differences
(1) Does the Company assess the ethics record of counterparties in business dealings and specify business conduct in contractual clauses with counterparties?	✓		(1) Before business dealings, the Company assesses the legality of the counterparties and checks for any record of unethical behavior, to avoid transactions with those with records of unethical behavior.	
(2) Has the Company established a dedicated business ethics unit under the Board of Directors and reported regularly (at least once a year) to the Board of Directors the implementation of business conduct policies and prevention of unethical behavior?	✓ ✓		(2) The Company's Audit Office is equipped with adequate resources and suitable personnel, responsible for the formulation, monitoring and implementation of ethics policy and preventive measures, as well as periodical reports to the Board of Directors.	
(3) Has the Company formulated policies to prevent conflict of interest and provided appropriate channels for voicing out and implementation?	✓		(3) To foster a corporate culture of ethics, the Company implements a policy against conflict of interest. Appropriate channels are available for the Company's personnel to speak about the absence/presence of potential of conflict of interest.	

(4) Has the Company established an effective accounting system and internal control system to implement business ethics? Does the internal auditors formulate audit plans according to the assessment of risks for unethical behavior and inspect the compliance with the preventive measures or commission external accountants for such inspections? (5) Does the Company organize internal and external training and education on business ethics on a regular basis?	✓		(4) To ensure business ethics, the Company has established an effective accounting system and internal control system. Meanwhile, the internal audit unit formulates audit plans for regular inspections. (5) The Company has been advocating the concept of business ethics to employees by organizing relevant training and education from time to time.	
3. Functioning of the Company's whistleblowing system (1) Did the Company establish a whistleblowing system and incentives to make reporting easy and appoint appropriate and dedicated personnel to deal with the alleged parties? (2) Did the Company establish the standard investigating procedures for whistleblowing, the measures subsequent to completion of investigations, and the relevant confidentiality mechanisms? (3) Did the Company adopt measures to protect whistleblowers from improper treatment due to whistleblowing?	✓ ✓ ✓		(1) Easy-to-use whistleblowing channels have been put in place. Those who breach code of conduct will be penalized and published according to relevant rules and regulations. (2) The standard operating procedures have been put in place for handling whistleblowing and investigation. The identity of whistleblowers and the content of reports shall be kept confidential. (3) The Company has specified in its code of conduct that it will strive to maintain the confidentiality of any whistleblower's identity and protect the safety of whistleblowers, in order to prevent whistleblowers from retaliation and threats.	Consistent with the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, without material differences
4. Enhancement of information disclosure (1) Has the Company disclosed its ethics policy and implementation effectiveness via its own website and on the Market Observation Post System (MOPS)?		V	The ethics policy has been disclosed on the company website and via the Market Observation Post System (MOPS). However, implementation effectiveness is not yet disclosed.	No significant difference
5. If the Company has established its principles in business ethics following Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe how its own principles are put into practice and whether there is deviation from the principles:no significant difference.				
6. Other important information that helps to understand the status of ethics policy implementation:explained in the abovementioned indicators				

Note: Whether "Yes" or "No" is ticked for implementation status, it is necessary provide summaries in the Explanation column.

(7) If any corporate governance principles or relevant charters are put in place, it is necessary to disclose the inquiry methods: announced at the Company's website at http://www.plotech.com/Investors/CorporateGovernance.

(8) Other important information that helps to understand the functioning of corporate governance: none

(9) It is necessary to disclose the following regarding the implementation of the internal control system:

1. Statement on Internal Control System: Please refer to Page 35.
2. Audit reports issued by external accountants should be disclosed if the review of the internal control system is outsourced to external accountants: none

(10) If the outcome of the punishment on the Company and its internal personnel according to laws or the Company's punitive measures imposed on its internal personnel for beach of internal control regulations during the most recent year and as of the publication date of this annual report may have material influence on shareholders' equity or securities prices, it is necessary to provide the details of the punitive measures, primary deficiencies and improvements: none.

(11) Important resolutions by shareholders' meetings and by board meetings during the most recent year and as of the publication date of this annual report:

1. Important resolutions by shareholders' meetings

Meeting date	Session	Important resolutions
June 17, 2022	2022 Shareholders' Meeting	Recognition, matters of discussion and matters of election 1. Recognition of the 2021 annual financial statement book. 2. Recognition of 2021 annual surplus distribution case. 3. Discuss the amendment of [Articles of Association], [Methods for election of directors and supervisors], [Procedures for acquisition or disposal of assets], [Methods for endorsement guarantee operation], [Procedures for capital loan and others operation], and [Methods for management of derivative commodity trading]. 4. Comprehensive re-election of directors. 5. Discuss the lifting of the non-competition restriction on new directors.
		Implementation status 1. Adoption of 2021 Annual Report on Operations and Financial Statements. 2. Surplus distribution plan: July 19, 2022 is fixed as the ex-dividend base date and will be paid out on August 15, 2022 (NT $1 per share). 3. Adoption of amendments to the Articles of Incorporation and Regulations, etc. 4. Re-election of directors and release of the current directors from the prohibition of competition.
Extempore motion		None

2. Important resolutions by Board of Directors

Date	Important resolutions
March 25, 2022	1. Recognize 2021 annual business report and financial statements 2. Adoption of the appropriation of earnings, employee compensation and remuneration to directors and supervisors 3. Adoption of the statement of internal control 4. Establishment of the Audit Committee and Amendment to the Company's Audit Committee Organizational Procedures 5. Set the date and place of 2023 Annual General Meeting of Shareholders and related matters of shareholders' proposals 6. Re-election of directors and release of the current directors from the prohibition of competition. 7. Discuss the amendment of [Articles of Association], [Methods for election of directors and supervisors], [Procedures for acquisition or disposal of assets], [Methods for endorsement guarantee operation], [Procedures for capital loan and others operation], and [Methods for management of derivative commodity trading].[Code of Practice on Corporate Social Responsibility] etc.
May 11, 2022	Report the financial report for the first quarter of 2022 and the repurchase of the company's common stock
June 1, 2022	Repurchase of common stock of the Company
June 28, 2022	1. Selection and appointment of Chairman and appointment of remuneration committee 2. Set the ex-dividend date and payment date for cash dividends and approve the joint and several guarantors
August 10, 2022	1. Report the financial report for Q2 of 2022 2. Set the base date for treasury stock reduction 3. Revise [rules of procedure of the Board of Directors] and [Organizational Rules of the Compensation Committee], etc 4. Adoption of bank credit and acting as joint and several guarantors
September 20, 2022	Repurchase of common stock of the Company
September 28, 2022	Withdrawal of the initial public offering of RMB ordinary shares (A shares) of Plotech Technology (Kunshan) Company Limited, a subsidiary of the Company, and its application for listing on the Shenzhen Stock Exchange
November 9, 2022	1. Discuss the financial report for Q3 of 2022 2. Set the base date for treasury stock reduction 3. New loans to affiliated companies and. Discussion of whether the disguised financing is a loan of capital 4. Adoption of the bank credit case and assessment of the independence of the accountant, etc.
March 28, 2023	1. Recognize the 111 annual business report and financial statements 2. Adoption of the appropriation of profit and loss, employee compensation and remuneration to directors and supervisors 3. Adoption of the statement of internal control 4. Set the date and place of 2023 Annual General Meeting of Shareholders and related matters of shareholders' proposals 5. Revise the [Rules of Procedure of the Board of Directors] and add and renew the company as a joint and several guarantor
May 10, 2023	1. Discuss the financial report for Q1 of 2023 2. Discuss whether disguised financing is a case of capital loan

(12) Different opinions from Directors or Supervisors on important resolutions by the Board of Directors and such opinions were recorded or stated in writing during the most recent year and as of the publication date of this annual report: none

(13) Summary of resignations and dismissals of the Company's Chairman, President, accounting/finance directors, internal auditor supervisors, Corporate Governance Officer and R&D head during the most recent year and as of the publication date of this annual report: none

V. CPA fees

(1) Audit fees and non-audit fees paid to the external auditors and the firm and contents of non-audit services:

Name of the accounting firm	Certified Public Accountants		Audit period
PwC Taiwan	Chen Hsien-Cheng	Wang Fang-Yu	2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

Auditing fees	Non-auditing fees	Total	Remarks
2,868	0	2,868	

1. When the accounting firm was replaced and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed. None
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed: none.

(2) The audit fees aforesaid refers to the fees paid by the Company for financial report audits, reviews, inspections and financial forecast reviews.

VI. Change of external accountants: none

VII. Whether the Company's Chairman, President, or any accounting or finance manager who has held a position in the accounting firm where external accountants work or affiliated enterprise: none.

VIII. Any transfer of equity interests and percentage of and change of pledged equity interests owned by Directors, Supervisors, managers or shareholder with a stake of more than 10% during the most recent year and as of the publication date of this annual report:

(1) Any transfer of equity interests and percentage of and change of pledged equity interests owned by Directors, Supervisors, managers or shareholder with a stake of more than 10% during the most recent year and as of the publication date of this annual report:

Unit: shares

Title	Name	2022		As of April 30, 2023	
		Increase (decreased) in the number of shares held	Increase (decreased) in the number of shares pledged	Increase (decreased) in the number of shares held	Increase (decreased) in the number of shares pledged
Directors (major shareholders)	Lee Chi-Liang	0	0	0	54,000
Directors	Lee Chi-Ming	0	0	0	0
Director (manager)	Houng Tsung-I	0	0	0	0
Directors	Lai Hung-Lin (June 17, 2022 New election)	0	0	0	0
Independent director	Huang ,Chun-Yu (June 17, 2022 New election)	0	0	0	0
Independent director	Kan, Chin-Ti (June 17, 2022 New election)	0	0	0	0
Independent director	Chen Yi-Liang	0	0	0	0
Directors	Chao Yung-Yi (June 17, 2022 Dismissal)	0	0	0	0
Independent director	Lin Hui-Yu (June 17, 2022 Dismissal)	0	0	0	0
Independent director	Tien Ying-Chien (June 17, 2022 Dismissal)	0	0	0	0
Supervisors	Chen Yi-Hung (June 17, 2022 Dismissal)	0	0	0	0
Supervisors	Liang Jung-Hsiang (June 17, 2022 Dismissal)	(5,000)	0	0	0
Manager	Wang Kun-Hui	0	0	0	0
Manager	Hung Yu-Feng	0	0	0	0

(2) Any transfers by Directors, Supervisors, managers and shareholder with a stake of more than 10% among related parties during the most recent year and as of the publication date of this annual report: none.

(3) Any pledged of shares by Directors, Supervisors, managers and shareholder with a stake of more than 10% among related parties during the most recent year and as of the publication date of this annual report: none.

9. The Company's 10 largest shareholders who are spouses or relatives within two degrees of kinship to each other:

April 22, 2023

Name	No. of shares held in person		No. of shares held by spouse and minor children		No. of shares in others' names		Names and relationships of the Company's 10 largest shareholders who are spouses or relatives within two degrees of kinship to each other		Remarks
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Name	Relationship	–
Chi Wu Investment Co., Ltd.	12,609,300	11.12	–	–	–	–	–	–	–
Representative: Lee Chi-Liang	8,671,246	7.65	–	–	–	–	Lee Chi-Ming Li Chi-Hui ChungPin-Chuan Li Hsueh-Yu Li Hsueh-Chin	Brothers Elder brother and younger sister Relatives by marriage Father and daughter Father and daughter	
Hsueh-Chieh Investment Co., Ltd.	10,891,737	9.61	–	–	–	–	–	–	–
Representative: Li Hsueh-Yu	3,027,754	2.61	–	–	–	–	Lee Chi-Liang Li Hsueh-Chin	Father and daughter Sisters	–
Lee Chi-Liang	8,671,246	7.65	–	–	12,609,300	11.12	Lee Chi-Ming Li Chi-Hui ChungPin-Chuan Li Hsueh-Yu Li Hsueh-Chin	Brothers Elder brother and younger sister Relatives by marriage Father and daughter Father and daughter	–
Chao Yung-Yi	4,366,649	3.85	2,086,008	1.84	–	–	–	–	
Hsueh-Cheng Investment Co., Ltd.	3,740,300	3.30	–	–	–	–	–	–	–
Representative: Li Hsueh-Chin	3,622,453	3.20	–	–	–	–	Lee Chi-Liang Li Hsueh-Yu	Father and daughter Sisters	–
Li Hsueh-Chin	3,622,453	3.20	–	–	–	–	Lee Chi-Liang Li Hsueh-Yu	Father and daughter Sisters	
Li Chi-Hui	3,406,600	3.01	3,148,700	2.78	–	–	Chung Pin-Chuan Lee Chi-Liang Lee Chi-Ming	Spouses Elder brother and younger sister Elder brother and younger sister	
Chung Pin-Chuan	3,148,700	2.78	3,406,600	3.01	–	–	Li Chi-Hui Lee Chi-Liang Lee Chi-Ming	Spouses Relatives by marriage Relatives by marriage	
Li Hsueh-Yu	3,110,754	2.74	–	–	–	–	Lee Chi-Liang Li Hsueh-Chin	Father and daughter Sisters	
Lee Chi-Ming	2,884,248	2.54	1,089,293	0.96	–	–	Lee Chi-Liang Li Chi-Hui Chung Pin-Chuan	Brothers Elder brother and younger sister Relatives by marriage	–

Note: No. of shares held by shareholders on the register as of April 22, 2023, the book closure day for the general shareholders' meeting.

10. Percentages of shareholdings

As of March 31, 2023, Unit: No. of shares, %

Investees	Investment by the Company		Investee directly or indirectly controlled by a Director, a Supervisor or a manager		Total investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
PLOTECH（BVI）CO.,LTD	29,560,000	100%	—	—	29,560,000	100%
PLOTECH（CAYMAN）CO.,LTD	0	0%	32,967,400	100 %	32,967,400	100%
Plotech Technology (Kunshan) Co., Ltd.	0	0%	300,702,010	92.80%	300,702,010	92.80%
Plotech (Nantong) Microcircuit Technology Co., Ltd.	0	0%	100 % shareholding	100 %	—	92.80%
Plotech Technology (HK) Co., Ltd.	0	0%	100 % shareholding	100 %	—	92.80%

Note 1: The Company's investments are accounted for using the equity method.

(Stock code:) 6141)

Plotech Technology Co., Ltd.

Statement on Internal Control System

Date: March 28, 2023

According to the self-inspection results of the internal control system by the Company from January 1, 2022 to December 31, 2022, we hereby state as follows:

1. The Company understands that Directors and managers are responsible for establishing, implementing, and maintaining an internal control system, and such a system has been established. The purpose is to reasonably assure the effectiveness and efficiency of operations (including profitability, performance and protection of assets); the reliability of financial reports and the compliance of relevant laws and regulations.
2. Due to the inherent limitation of any internal control system, an effective internal control system (no matter how robust in design) can only provide reasonable assurance of the achievement of the above three objectives. In addition, the effectiveness of the internal control system could change over time due to change in the business environment or the circumstance. Since the Company's internal control system is equipped with a self-monitoring mechanism, the Company takes immediate actions to rectify any deficiencies identified.
3. The Company determines the effectiveness of design and implementation of the internal control system according to the Guidelines for the Establishment of Internal Control Systems by Public Companies (the Guidelines) for the items prescribed as the basis for the determination of the effectiveness of an internal control system. According to the items prescribed by the Guidelines as the basis for the determination of the effectiveness of an internal control system, the internal control system is divided into five components during the management and control process: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) supervision. Each factor also includes several items. Please refer to the Guidelines. Each component consists of several elements. Please refer to the Guidelines. Please refer to the Guidelines for the aforesaid items.
4. The Company has examined the effectiveness of the design and the implementation of its internal control system by referring to the determination items mentioned above.
5. Based on the findings of the aforesaid examination, the Company believes that its internal control system (including the supervision and management of subsidiaries) during the abovementioned period was effective in the design and the implementation and able to provide reasonable assurance over the insight into the effectiveness and the efficiency of achievement of operational targets; reliability of financial reporting; and compliance with applicable laws.
6. This Statement is a significant part of the Company's annual report and prospectus available to the public. If any of the disclosed contents above contains false information or conceals unlawful matters, the Company will be legally liable under Article 20, Article 32, Article 171 and Article 174 of the Security and Exchange Act.
7. The Statement has been adopted by the Company’s Board of Directors on March 28, 2023. Among the seven attending Directors, no one raised any objection and all consented to the content expressed in this Statement.

Plotech Technology Co., Ltd.

Chairman: Lee Chi-Liang

President: Houng Tsung-I

Four. Fundraising

I. Capitalization and shares

(I) Sources of share capital

Types of shares	Authorized capital			Remarks
	Outstanding shares (Listed) (Note)	Unissued shares	Total	
Registered ordinary shares	113,354,005	56,645,995	170,000,000	—

Month/ year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (shares)	Amount NT$1,000	Number of shares (shares)	Amount NT$1,000	Sources of share capital	Non-cash capital contributions	Others
May 1990	10	500,000	5,000	500,000	5,000	Establishment with founding cash	None	—
November 1996	10	1,500,000	15,000	1,500,000	15,000	Issuance of common stock for cash of NT$10,000 thousand	None	Note 1
August 1998	10	4,500,000	45,000	4,500,000	45,000	Issuance of common stock for cash of NT$30,000 thousand	None	Note 2
December 1998	10	14,500,000	145,000	14,500,000	145,000	Issuance of common stock for cash of NT$100,000 thousand	None	Note 3
March 1999	10	16,000,000	160,000	16,000,000	160,000	Issuance of common stock for cash of NT$15,000 thousand	None	Note 4
August 1999	10	28,000,000	280,000	19,168,000	191,680	Capitalization of earnings by NT$31,680 thousand	None	Note 5
September 2000	10	28,000,000	280,000	22,829,088	228,291	Capitalization of earnings by NT$36,611 thousand	None	Note 6
January 2002	10	87,000,000	870,000	36,568,000	365,680	Issuance of common stock for cash of NT$40,638 thousand Capitalization of earnings by NT$86,751 thousand Capitalization of stock dividends to employees by NT$10,000 thousand	None	Note 7
November 2002	10	87,000,000	870,000	49,635,440	496,354	Capitalization of earnings by NT$120,674 thousand Capitalization of stock dividends to employees by NT$10,000 thousand	None	Note 8

Month/ year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (shares)	Amount NT$1,000	Number of shares (shares)	Amount NT$1,000	Sources of share capital	Non-cash capital contributions	Others
July 2003	10	87,000,000	870,000	61,755,236	617,552	Capitalization of earnings by NT$109,198 thousand Capitalization of stock dividends to employees by NT$12,000 thousand	None	Note 9
June 2003	10	87,000,000	870,000	62,238,327	622,383	Conversion of corporate bonds into shares by NT$4,831 thousand	None	Note 10
September 2003	10	87,000,000	870,000	64,165,846	641,658	Conversion of corporate bonds into shares by NT$19,275 thousand	None	Note 11
January 2004	10	87,000,000	870,000	65,400,102	654,001	Conversion of corporate bonds into shares by NT$12,343 thousand	None	Note 12
April 2004	10	87,000,000	870,000	65,636,808	656,368	Conversion of corporate bonds into shares by NT$2,367 thousand	None	Note 13
July 2004	10	87,000,000	870,000	65,696,213	656,962	Conversion of corporate bonds into shares by NT$594 thousand	None	Note 14
August 2004	10	170,000,000	1,700,000	91,194,463	911,945	Capitalization of earnings and capital surplus by NT$234,982 thousand Capitalization of stock dividends to employees by NT$20,000 thousand	None	Note 15
October 2004	10	170,000,000	1,700,000	91,561,667	915,617	Conversion of corporate bonds into shares by NT$3,012 thousand Exercise of employee stock options for NT$660 thousand	None	Note 16
January 2005	10	170,000,000	1,700,000	91,625,667	916,257	Exercise of employee stock options for NT$640 thousand	None	Note 17
April 2005	10	170,000,000	1,700,000	91,634,667	916,347	Exercise of employee stock options for NT$90 thousand	None	Note 18
September 2005	10	170,000,000	1,700,000	102,784,667	1,027,847	Capitalization of earnings and capital surplus by NT$111,500 thousand	None	Note 19
October 2005	10	170,000,000	1,700,000	105,614,437	1,056,144	Conversion of corporate bonds into shares by NT$26,888 thousand Exercise of employee stock options for NT$1,410 thousand	None	Note 20
January 2006	10	170,000,000	1,700,000	105,692,051	1,056,921	Conversion of corporate bonds into shares by NT$346 thousand Exercise of employee stock options for NT$430 thousand	None	Note 21

Month/ year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (shares)	Amount NT$1,000	Number of shares (shares)	Amount NT$1,000	Sources of share capital	Non-cash capital contributions	Others
April 2006	10	170,000,000	1,700,000	105,715,051	1,057,151	Exercise of employee stock options for NT$230 thousand	None	Note 22
August 2006	10	170,000,000	1,700,000	105,724,051	1,057,241	Exercise of employee stock options for NT$90 thousand	None	Note 23
August 2006	10	170,000,000	1,700,000	105,710,051	1,057,101	Cancelation of treasury shares by NT$140 thousand	None	Note 24
September 2006	10	170,000,000	1,700,000	126,610,051	1,266,101	Capitalization of earnings and capital surplus by NT$189,000 thousand Capitalization of stock dividends to employees by NT$20,000 thousand	None	Note 25
October 2006	10	170,000,000	1,700,000	127,188,392	1,271,884	Conversion of corporate bonds into shares by NT$3,553 thousand Exercise of employee stock options for NT$2,230 thousand	None	Note 26
January 2007	10	170,000,000	1,700,000	131,905,323	1,319,053	Conversion of corporate bonds into shares by NT$41,629 thousand Exercise of employee stock options for NT$5,540 thousand	None	Note 27
April 2007	10	170,000,000	1,700,000	132,154,564	1,321,546	Conversion of corporate bonds into shares by NT$352 thousand Exercise of employee stock options for NT$2,140 thousand	None	Note 28
July 2007	10	170,000,000	1,700,000	132,249,590	1,322,496	Conversion of corporate bonds into shares by NT$220 thousand Exercise of employee stock options for NT$730 thousand	None	Note 29
September 2007	10	170,000,000	1,700,000	147,549,590	1,475,496	Capitalization of earnings by NT$153,000 thousand	None	Note 30
October 2007	10	170,000,000	1,700,000	147,369,590	1,473,696	Exercise of employee stock options for NT$620 thousand Cancelation of treasury shares by NT$2,420 thousand	None	Note 31
January 2008	10	170,000,000	1,700,000	147,158,590	1,471,586	Exercise of employee stock options for NT$1,390 thousand Cancelation of treasury shares by NT$3,500 thousand	None	Note 32
April 2008	10	170,000,000	1,700,000	145,855,590	1,458,556	Exercise of employee stock options for NT$970 thousand Cancelation of treasury shares by NT$14,000 thousand	None	Note 33

Month/ year	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares (shares)	Amount NT$1,000	Number of shares (shares)	Amount NT$1,000	Sources of share capital	Non-cash capital contributions	Others
July 2008	10	170,000,000	1,700,000	146,993,963	1,469,940	Conversion of corporate bonds into shares by NT$11,083 thousand Exercise of employee stock options for NT$300 thousand	None	Note 34
October 2008	10	170,000,000	1,700,000	14,7561,450	1,475,615	Capitalization of earnings by NT$74,000 thousand Conversion of corporate bonds into shares by NT$11,675 thousand Cancelation of treasury shares by NT$80,000 thousand	None	Note 35
March 2009	10	170,000,000	1,700,000	143,261,450	1,432,615	Cancelation of treasury shares by NT$43,000 thousand	None	Note 36
October 2009	10	170,000,000	1,700,000	143,354,450	1,433,545	Exercise of employee stock options for NT$930 thousand	None	Note 37
January 2010	10	170,000,000	1,700,000	143,568,450	1,435,685	Exercise of employee stock options for NT$2,140 thousand	None	Note 38
May 2011	10	170,000,000	1,700,000	139,194,450	1,391,945	Cancelation of treasury shares by NT$43,740 thousand	None	Note 39
December 2011	10	170,000,000	1,700,000	138,181,450	1,381,815	Cancelation of treasury shares by NT$10,130 thousand	None	Note 40
April 2012	10	170,000,000	1,700,000	136,681,450	1,366,815	Cancelation of treasury shares by NT$15,000 thousand	None	Note 41
November 2012	10	170,000,000	1,700,000	135,449,450	1,354,495	Cancelation of treasury shares by NT$12,320 thousand	None	Note 42
April 2013	10	170,000,000	1,700,000	134,290,450	1,342,905	Cancelation of treasury shares by NT$11,590 thousand	None	Note 43
April 2014	10	170,000,000	1,700,000	133,064,450	1,330,645	Cancelation of treasury shares by NT$12,260 thousand	None	Note 44
March 2018	10	170,000,000	1,700,000	132,164,450	1,321,645	Cancelation of treasury shares by NT$9,000 thousand	None	Note 45
December 2018	10	170,000,000	1,700,000	129,964,450	1,299,645	Cancelation of treasury shares by NT$22,000 thousand	None	Note 46
June 2020	10	170,000,000	1,700,000	1,289,144,500	128,914,450	Cancelation of treasury shares by NT$10,500 thousand	None	Note 47
November 2021	10	170,000,000	1,700,000	1,160,230,050	116,023,005	Reduction and return of capital by NT$128,914 thousand	None	Note 48
September 2022	10	170,000,000	1,700,000	1,143,540,050	114,354,005	Cancelation of treasury shares by NT$16,690 thousand	None	Note 49
January 2023	10	170,000,000	1,700,000	1,133,540,050	113,354,005	Cancelation of treasury shares by NT$10,000 thousand	None	Note 50

Note 1: Construction (I) No. 85363747
Note 2: Construction (I) No. 87316273
Note 3: MOEA Jan 15, 1999 Jin-(088)- Shang No. 088101567
Note 4: MOEA Apr 26, 1999 Jin-(088)- Shang No. 088114342
Note 5: MOEA Sep 3, 1999 Jin-(088)- Shang No.132460
Note 6: MOEA Aug 3, 2000 Jin-(089)- Shang No.127448
Note 7: MOEA Jan 31, 2002 Jin-Shou-Shang No.09101036850
Note 8: MOEA Nov 28, 2002 Jin-Shou-Shang No.09101477450
Note 9: MOEA Jul 2, 2003 Jin-Shou-Shang No.09201206190
Note 10: MOEA Jul 10, 2003 Jin-Shou-Shang No.09201213430
Note 11: MOEA Oct 15, 2003 Jin-Shou-Shang No.09201292240
Note 12: MOEA Jan 27, 2004 Jin-Shou-Shang No.09301011180
Note 13: MOEA Apr 22, 2004 Jin-Shou-Shang No.09301066010
Note 14: MOEA July 23, 2004 Jin-Shou-Shang No.09301129100
Note 15: MOEA Aug 9, 2004 Jin-Shou-Shang No.09301146950
Note 16: MOEA Oct 29, 2004 Jin-Shou-Shang No.09301206560
Note 17: MOEA Jan 24, 2005, Jin-Shou-Shang No.09401011110
Note 18: MOEA Apr 29, 2005 Jin-Shou-Shang No.09401068190
Note 19: MOEA Sep 5, 2005 Jin-Shou-Shang No.09401168700
Note 20: MOEA Oct 28, 2005 Jin-Shou-Shang No.09401215610
Note 21: MOEA Jan 17, 2006 Jin-Shou-Shang No.09501010480
Note 22: MOEA Apr 20, 2006 Jin-Shou-Shang No.09501071220
Note 23: MOEA Aug 1, 2006 Jin-Shou-Shang No.09501165770
Note 24: MOEA Aug 8, 2006 Jin-Shou-Shang No.09501171810
Note 25: MOEA Sep 5, 2006 Jin-Shou-Shang No. 09501199280
Note 26: MOEA Oct 17, 2006 Jin-Shou-Shang No. 09501234090
Note 27: MOEA Jan 16, 2007 Jin-Shou-Shang No. 09601010760
Note 28: MOEA Apr 19, 2007 Jin-Shou-Shang No. 09601083390
Note 29: MOEA Jul 27, 2007 Jin-Shou-Shang No. 09601181220
Note 30: MOEA Sep 19, 2007 Jin-Shou-Shang No. 09601229950
Note 31: MOEA Oct 16, 2007 Jin-Shou-Shang No. 09601251730
Note 32: MOEA Jan 15, 2007 Jin-Shou-Shang No. 09701010220
Note 33: MOEA Apr 16, 2008 Jin-Shou-Shang No. 09701089930
Note 34: MOEA Jul 18, 2008 Jin-Shou-Shang No. 09701177000
Note 35: MOEA Oct 9, 2008 Jin-Shou-Shang No. 09701257870
Note 36: MOEA Mar 19, 2009 Jin-Shou-Shang No. 09801052680
Note 37: MOEA Oct 20, 2009 Jin-Shou-Shang No. 09801241390
Note 38: MOEA Jan 22, 2010 Jin-Shou-Shang No. 09901011280
Note 39: MOEA May 20, 2011 Jin-Shou-Shang No. 09801241390
Note 40: MOEA Dec 21, 2011 Jin-Shou-Shang No. 10001284090
Note 41: MOEA Apr 13, 2012 Jin-Shou-Shang No. 10101064990
Note 42: MOEA Nov 28, 2012 Jin-Shou-Shang No.10101245300
Note 43: MOEA Apr 29, 2013 Jin-Shou-Shang No. 10201079200
Note 44: MOEA Apr 24, 2014 Jin-Shou-Shang No. 10301074440
Note 45: MOEA Mar 2, 2018 Jin-Shou-Shang No. 10701019600
Note 46: MOEA Dec 13, 2018 Jin-Shou-Shang No. 10701157220
Note 47: MOEA June 22, 2020 Jin-Shou-Shang No. 10901108640
Note 48: MOEA Nov 9, 2021 Jin-Shou-Shang No. 11001202020
Note 49: MOEA Sep12, 2022 Jin-Shou-Shang No. 11101173010
Note 50: MOEA Jan 4, 2023 Jin-Shou-Shang No. 11101251860

(II) Shareholder structure

April 22, 2023

Shareholder structure and numbers	Domestic natural persons	Other domestic legal persons	Overseas natural persons	Overseas legal persons	Domestic companies	Those not staying within the country for 183 days	Total
No. of persons	6,055	3	9	29	22	3	6,121
No. of shares held	814,293,640	176,210	2,906,400	36,397,780	279,629,580	136,440	1,133,540,050
Shareholding percentage	71.83	0.02	0.26	3.21	24.67	0.01	100

Note: No. of shares held by shareholders on the register as of April 22, 2023, the book closure day for the general shareholders' meeting.

(III) Ownership dispersion

April 22, 2023

Tiering of shareholdings	No. of shareholders	No. of shares held	Shareholding percentage
1 ～ 999	2,324	1,114,280	0.98
1,000 ～ 5,000	2,619	6,152,470	5.44
5,001 ～ 10,000	579	4,420,509	3.90
10,001 ～ 15,000	151	1,874,128	1.65
15,001 ～ 20,000	104	1,880,428	1.66
20,001 ～ 30,000	112	2,771,274	2.44
30,001 ～ 40,000	51	1,789,172	1.58
40,001 ～ 50,000	43	1,942,129	1.71
50,001 ～ 100,000	56	4,070,775	3.59
100,001 ～ 200,000	31	4,540,852	4.01
200,001 ～ 400,000	19	6,006,131	5.30
400,001 ～ 600,000	9	4,450,278	3.93
600,001 ～ 800,000	2	1,296,132	1.14
800,001 ～ 1,000,000	1	987,414	0.87
1,000,001 ～ 999,999,999	20	70,058,033	61.80
Total	6,121	113,354,005	100

Note: No. of shares held by shareholders on the register as of April 22, 2023, the book closure day for the general shareholders' meeting.

(IV) Names of major shareholders

April 22, 2023

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Shares / Name of major shareholder	Number of shares held	Shareholding percentage
Chan Fun Investment Co., Ltd.	12,609,300	11.12%
Xue Jie Investment Co., Ltd.	10,891,737	9.61%
Lee, Chi-Liang	8,671,246	7.65%
Chao, Yung-Yi	4,366,649	3.85%
Xue Cheng Investment Ltd.	3,740,300	3.30%
Li, Xue-Jin	3,622,453	3.20%
Li, Chi-Huei	3,406,600	3.01%
Chung, Bing-Chuan	3,148,700	2.78%
Li, Xue-Yu	3,110,754	2.74%
Lee, Chi-Ming	2,884,248	2.54%

Note: No. of shares held by shareholders on the register as of April 22, 2023, the book closure day for the general shareholders' meeting

(V) Market price, net value, earnings and dividends per share during the most recent two years

Unit: 1,000 shares, NT$

Item			2021	2022	As of the first quarter of 2023
Market price per share	Highest		36.95	32.10	20.65
	Lowest		20.65	16.50	18.65
	Average		28.04	23.64	19.46
Net value per share	Before distribution		22.56	20.74	19.51
	After distribution		21.56	20.74	19.51
Earnings per share	Weighted Average		126,583	114,245	113,354
	Earnings per Share (Note 3)	Before adjustment (Note 1)	2.88	(1.29)	(1.03)
		After adjustment (Note 2)	2.87	(1.29)	(1.03)
Dividends Per Share (NT$)	Cash dividends		1.0	0.00	0.00
	Bonus shares	Dividend shares via capitalization of earnings	0	0	—
		Dividend shares via capitalization of capital surplus	0	0	—
	Accumulative unpaid dividends (Note 4)		0	0	0
Analysis of investment returns	Price to earnings ratio (Note 5)		9.77	(18.33)	(18.89)
	Price to dividends ratio (Note 6)		28.04	—	—
	Cash dividend yield (Note 7)		0.04	0.00	—

Note 1: Based on the weighed average number of shares outstanding during he year
Note 2: Based on the weighted average number of shares outstanding during the year and adjusted retrospectively by adding the weighted average number of outstanding shares as a result of historical capitalization of earnings and capital surplus.
Note 3: Adjusted according to the distributions as resolved by the shareholders' meeting of the following year
Note 4: On conditions for the equity securities concerned that the due dividends during the year may be distributed in later years when earnings as available. This should be disclosed separately for the accumulated due dividends during the current year.
Note 5: Price to earnings (P/E) ratio: average closing price per share during the year / earnings per share
Note 6: Price to dividends (P/D) ratio: average closing price per share during the year / cash dividends per share
Note 7: Cash dividend yield: cash dividends per share ∕ average closing price per share during the year
Note8 : The 2022 deficit compensation statement has not been approved by the regular shareholders' meeting.

(VI) Dividend policy and implementation status

1. Dividend policy specified in the Articles of Incorporation

The Board of Directors proposes and forward dividend distribution plans to shareholders' meetings each year by taking account the business environment and the Company's growth stage, as well as funding requirements going forward and long-term financial planning. Cash dividends should account for 10%-100% of the total dividends; stock dividends should account for 0%-90% of the total dividends.

2. Resolution by this shareholders' meeting on the proposed distribution of dividends

The 2022 deficit compensation proposal was approved by the Board on March28, 2023, and will be submitted to the shareholders' meeting. Considering the profit, future operating plan and capital demand, evolution of the industrial environment, and long-term fiancial planning, among other factors, no dividend will be distributed.

(VII) Impact of the issue of bonus shares resolved by this shareholders' meeting on the Company's operating performance and earnings per share

Not applicable as the Board of Directors did not propose the issue of bonus shares to this shareholders' meeting

(VIII) Remunerations to employees, Directors and Supervisors

(IX) Percentage or range of remunerations to employees, Directors and Supervisors stated in the Articles of Incorporation

According to the Articles of Incorporation, no less than 1% of annual profits, if any, should be allocated as remuneration to employees and distributed in stocks or cash if the company has gained profits within the year, as resolved by the Board of Directors. Employees from associates that meet certain criteria may be eligible for such remuneration. In addition, no more than 1% of the abovementioned profits may be distributed as remuneration to Directors and Supervisors, as resolved by the Board of Directors. However, it is necessary to offset accumulative losses if any.

2. Basis for estimates of remunerations to employees, Directors and Supervisors for the period; basis for calculation of the number of shares distributed to employees as remuneration; and accounting treatment for any discrepancy between the amount distributed and the amount estimated

(1) Basis for estimates of remunerations to employees, Directors and Supervisors for the period

The estimated remunerations to employees, Directors and Supervisors payable for the period are based on the regulations stated in the Articles of Incorporation and in reference to the amounts distributed in the past and the operating performance of the year.

(2) Basis for calculation of the number of shares distributed to employees as remuneration for the period

The Company does not distribute stocks to employees as remuneration.

(3) Accounting treatment for any discrepancy between the amount distributed and the amount estimated

In case of any significant gap between the amount subsequently resolved by the Board of Directors and the amount estimated, the difference will be adjusted as expenses for the year. If there is further change on the amount as resolved by the shareholders' meeting, it will be treated as change of accounting estimates and recognized as profit or loss for the following year.

3. Remunerations approved by the Board of Directors

The 2022 deficit compensation proposal was approved by the Board on March28, 2023, and pursuant to the Arizona of Incorporation, no remuneration will be distributed to employees, directors and supervisors.

(1) Cash or stocks distributed as remunerations to employees, Directors and Supervisors In case of any discrepancy between the expenses recognized and the amount estimated for the year, it is necessary to disclose the amount of and the reason for this discrepancy, and ways this discrepancy is treated: none

(2) The percentage of the net income according to the parent-only financial statements or the individual financial statements distributed in stocks as remuneration to employees and the total amount of remuneration to employees: not applicable

4. In case of any discrepancy between the remunerations (including stocks, amounts and stock prices) distributed to employees, Directors and Supervisors during the prior year and the remunerations estimated for employees, Directors and Supervisors, it is necessary to disclose the amount of and the reason for this discrepancy, and ways this discrepancy is treated: none

(IX) Buyback of the Company’s shares:

Repurchase time	The 21st time	The 22nd time	The 23rd time
Repurchase purpose	Maintain the company's credit and shareholders' equity	Maintain the company's credit and shareholders' equity	Maintain the company's credit and shareholders' equity
Repurchase period	May 13, 2022 to May 31, 2022	June 7, 2022 to July 29, 2022	September 22, 2022 to November 1, 2022
Repurchase interval price	The repurchase price per share is NT$17 to NT$40, but when the Company's share price falls below the lower limit of the set repurchase price range, the repurchase will continue to be executed	The repurchase price per share is NT$17 to NT$37, but when the Company's share price falls below the lower limit of the set repurchase price range, the repurchase will continue to be executed	The repurchase price per share is NT$16 to NT$34, but when the Company's share price falls below the lower limit of the set repurchase price range, the repurchase will continue to be executed
Types and quantities of shares repurchased	Common share 1,000,000 shares	Common share 669,000 shares	Common share 1,000,000 shares

Amount of shares repurchased	NT$23,088,317	NT$15,547,283	NT$19,241,540
The ratio of the number of repurchased shares to the expected number of repurchased shares	100%	66.90%	100%
Number of shares that have been cancelled and transferred	1,000,000 shares	669,000 shares	1,000,000 shares
Accumulated number of the Company's shares held	0 share	0 share	0 share
The ratio of accumulated number of the Company's shares held to the total number of issued shares	0%	0%	0%

II. Issuance of corporate bonds (including overseas corporate bonds): none

III. Issuance of preference shares: none

IV. Issuance of overseas depository receipts: none

V. Issuance of employee stock options: none

VI. Issuance of restricted employee shares: none

VII. Issuance of new shares for acquisitions and as a transferee of shares of other companies: none

VIII. Implementation with use of proceeds: none

Five. Operations

1. Business

(1) Scope of business

1. Main contents of businesses in operation

The scope of business as stated in the company license includes the following:

(1) Trading of keyboards, printers and integrated circuits

(2) Trading of agricultural machinery, barcode machines, floppy disk drives and components

(3) Planning and design of automation software and relevant packages, as well as automation testing software

(4) Import and export of the aforesaid products and software

(5) Agency and sales services to domestic and overseas manufacturers in providing quotations and participating in tenders for the abovementioned products

(6) Design of printed circuit boards and artworks

(7) Metal surface treatment

(8) Manufacturing, processing, trading and hole drilling of printed circuit boards

(9) ZZ99999 Any business not prohibited or restricted by law, except those subject to special approval

Please refer to the basic data of affiliates in the consolidated business report for the primary businesses or production items of individual affiliates.

2. Sales breakdown

Unit: NT$ thousand; %

Main products	2021		2022	
	Sales	%	Sales	%
Sample	324,693	8.8	359,473	11.7
Scale production	3,301,811	89.2	2,609,573	85.1
Others	72,789	2.0	99,019	3.2
Total	3,699,293	100	3,068,065	100

3. The Company’s current focus is on the production of printed circuit boards.

4. Product pipeline

Given the increasing miniaturization and precision of electronic products, printed circuit boards are becoming smaller, lighter and thinner, with multiple layers, fine lines, surface mounting and small drill diameters. High pitches and multiple layers are becoming the mainstream. The focus of new developments is on printed circuit boards for 5G high-speed transmission. Meanwhile, semiconductor test boards are developing into over 50 layers, >30 in aspect ratios and 6.35~7.0mm in thickness. Therefore, the Company's engineering and manufacturing departments are working together to gradually enhance production technology and product quality. The product roadmap is for line thickness of 0.05mm, hole diameter of 0.1mm, blind/buried holes with a yield of 96% and over 50 layers, to meet customers' need and create win-win for customers and the Company.

(2) Industry overview

1. Current status and development

The booming development of IC carrier boards in the past few years is mainly due to the strong demand for high-speed computing; From the technical point of view, in the post-Moore era, the development cost of new semiconductor processes has increased significantly, the introduction speed has slowed down, and the economic benefits of large-size wafers have decreased. The development focus of wafers has shifted to the breakthrough of advanced 2.5D or 3D packaging, which also drives the improvement of IC carrier board area and layer number, so IC carrier board has become a key component of advanced packaging. TPCA has set up a semiconductor assembly committee this year, and a new IC carrier board area has been set up in the exhibition. In addition to the three carriers of Taiwan, namely Xinxing, Nandian, and Jingsuo, the advanced carrier board manufacturer AT&S from Austria also participated in the exhibition. At the same time, the semiconductor Assembly Committee and the core members of IMPACT have been held to strengthen the connection and cooperation between PCB industry and semiconductor industry.

In addition, PCB equipment is moving towards AIoT. Many equipment manufacturers emphasize that as PCB manufacturing moves closer to semiconductor, in addition to improving precision and efficiency, it is important to reduce unnecessary human interference. Therefore, the operation of the production line will be monitored through IoT remote way, and AI will be used to analyze production information to reduce heavy industry rate and improve production line utilization rate and yield. On the other hand, with the popularization of AIoT technology, the current WiFi wireless network data transmission speed is obviously insufficient and unstable. Focusing on the advantages of 5G communication, such as ultra-broadband, low delay and high reliability, TPCA and Electrotechnical Association jointly promote the innovative operation mode of 5G private network to rent and buy on behalf of PCB factories to help reduce the initial construction cost of 5G introduction. Despite the disruption of geopoliics and global inflation, manufacturers generally view the future conservatively, focusing on international exchanges, carrier board innovation, sustainable net zero, smart manufacturing and other issues, Taiwan's circuit board industry through unity and cooperation to meet global challenges.

Global relayout is a hot topic in Taiwan. In the past, Taiwan circuit board factories concentrated on both sides of the Taiwan Strait. Recently, affected by global geopolitically, under the pressure of customers, many companies actively evaluate new production bases.

TPCA said that the global PCB production layout, technological breakthrough of carrier board, sustainable action of enterprises, and deepening of intelligent manufacturing are still the main melody leading the development of PCB industry. In 2022, Taiwan PCB industry is expected to hit a record high in revenue. In 2023, although all sectors generally look weak economic development, However, under the significant benefits of high value transformation of PCB industry, it should be able to steadily forge ahead against the wind to maintain positive growth of revenue.

(1)Q3 output value and Q4 forecast

In the third quarter, the output value of Taiwan's circuit board industry reached a new quarterly high of NT $249.2 billion. In terms of the data results alone, in addition to the annual growth rate of 12.6% double-digit range, the quarterly growth rate is also as high as 18.3%, the peak season effect is quite significant. Although terminal demand weakened significantly from the beginning of the third quarter, the peak season effect continued in the third quarter due to the relatively high demand for high-end products and the scheduled release of Apple's new machine, which boosted the performance of relevant supply chain manufacturers. In addition, automotive and server products also played a supporting role in the quarter. Are factors that allow the overall output value to maintain relatively high growth in the face of adversity. In addition, the exchange rate is also an important driver of this quarter's growth. In order to curb inflation, the Federal Reserve of the United States began to announce the policy of raising interest rates one after another on March 17 this year, so that the exchange rate of various currencies against the US dollar has continued to depreciate since March. The exchange rate of the US dollar against the New Taiwan dollar has depreciated from the low of 27.607 in the first quarter to the high of 31.871 in the third quarter. On a quarterly average, the 30.391 in the third quarter was also 9.1% higher than the same period last year. In terms of original order dollars, the output value in the current quarter was US $8,198 million, with annual and quarterly growth rates of 3.2% and 14.6% respectively, showing significantly weaker momentum than that in the NT dollar.

From the fundamental point of view, the growth of this quarter is mainly derived from the carrier board and soft board driven by HPC and Apple, and the benefiting groups are mostly concentrated in large factories with a certain scale, which also has a significant effect on the output value. In other words, the growth fruits of this season are not all spread out. For most manufacturers, under the leadership of no leading products or customers, the growth of performance is not as bright as the statistics of the overall output value, and the feeling of the decline of prosperity and demand will be more significant than that of large manufacturers. In other words, in terms of the overall industry, the number of manufacturers with declining revenue accounts for the majority. Excluding the impact caused by the exchange rate, we can further observe the changes in the output value of the dollar. Under the influence of negative factors such as international conflicts, high inflation and high inventory, the confidence of consumer demand has weakened significantly in this quarter, especially for the relatively price sensitive consumer products. Some companies have also begun to reduce unnecessary spending to retain strength in the face of the upcoming recession. Therefore, if we observe the change of the YoY data of the dollar from 22.2% in the first quarter to 3.2% in the third quarter this year, it has basically shown a downward trend quarter by quarter, which can directly confirm the doubt that the economy will take a downturn since the beginning of the year.

Table 6 Output value scale of PCB manufacturers in Taiwan

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021	2022 Q1	2022 Q2	2022 Q3	2022 Q4(e)	2022(e)	2023(f)
Output \value (NT$ billion)	1,734	1,823	2,214	2,407	8,178	2,090	2,107	2,492	2,644	9,333	9,765
Q/Q	-18.3%	5.1%	21.4%	8.7%		-13.2%	0.8%	18.3%	6.1%		
Y/Y	26.7%	13.1%	19.1%	13.4%	17.5%	20.6%	15.6%	12.6%	9.8%	14.1%	4.6%

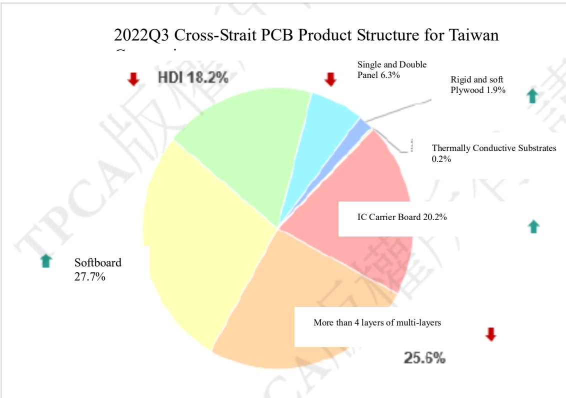
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021	2022 Q1	2022 Q2	2022 Q3	2022 Q4(e)	2022(e)	2023(f)
Output value (US$ million)	6,108	6,513	7,943	8,743	29,308	7,466	7,152	8,198	8,312	31,127	31,501
Q/Q	-17.2%	6.6%	22.0%	10.1%		-14.6%	-4.2%	14.6%	1.4%		
Y/Y	34.5%	20.9%	26.0%	18.5%	24.1%	22.2%	9.8%	3.2%	-4.9%	6.2%	1.2%
Exchange rate	28.39	27.99	27.87	27.53	27.90	28.00	29.46	30.40	31.81	29.98	31.00

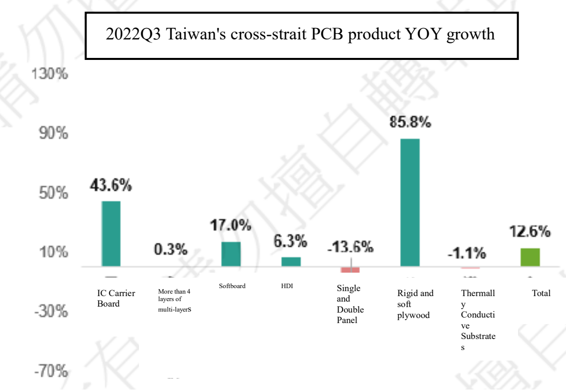
Looking ahead to the fourth quarter, although it is also the traditional peak season, the overall decline in terminal demand is more obvious than that in the third quarter, which also makes it more difficult to digest the gradually rising inventory level since the second half of the year. Even though the sales of terminal products may not be as pessimistic as expected, in order not to keep inventory at a high level, downstream and channel players may adjust orders to the supply chain in response. In other words, upstream manufacturers, in addition to facing a decline in end demand, also have to cope with the waiting period for customers to destock. In addition, Foxconn Zhengzhou plant, the base camp of iPhone production, has been hit due to the epidemic, and Apple also issued a rare statement that the production of high-end iPhone14 Pro will be affected, in addition to disrupting the original estimate of high-end iPhone sales will increase the pace, for the fourth quarter production value is also worse. Therefore, in terms of the overall demand side, the external environment facing manufacturers in the fourth quarter is still quite tough. In dollar terms, the output value in the fourth quarter is estimated to be $8,312 million, up only 1.4% from the third quarter, but down 4.9% from the same period last year. On this basis, the output value for the full year 2022 is estimated to be $31,127 million. Up 6.2% from 2021. Fortunately, the strong U.S. dollar has continued the blinking effect on the New Taiwan dollar. If we look at the average exchange rate in the first half of the fourth quarter, the depreciation of the New Taiwan dollar will be about 15% compared to the same period last year. The annual growth rate for 2022 is estimated at NT$933.3 billion, with an annual growth rate of 14.1%.

Looking ahead to 2023, according to current estimates, the global GDP growth rate will be slightly lower than that of 2020, coupled with a small decline in various types of end products, which is unfavorable to the performance of production value, but Taiwan manufacturers still have a chance to make up for the advantage of specifications and get back. In terms of NT$, it is estimated to grow by 4.6%, with a production value of NT$976.5 billion.

(2) Product structure and revenue growth rate

Looking at the performance of various types of products produced by Taiwan manufacturers on both sides of the Taiwan Strait in the third quarter of 2022, BT and ABF carrier boards showed different growth adjustment in this quarter due to differences in main applications. BT carrier boards showed a significant slowdown due to sluggish consumption and continuous fermentation growth momentum, while ABF was driven by HPC enthusiasm, and the demand remained at a high level. As ABF is the majority of IC load board production capacity in Taiwan, the overall load board maintained a good annual growth performance of 43.5%, and the proportion of output value increased significantly from 15.8% in the same period last year to 20.2%. Although the overall consumer demand is also affected by the slowdown, the application of Taiwan manufacturers mainly focuses on high-end cell phones and laptops, especially the hot sales of Apple laptops this quarter, which led to a significant growth of 17.0% double-digit growth rate even in the overall poor market conditions. Although HDI is supported by emerging applications such as ADAS, satellite base stations and MiniLED tablets, as well as existing networking products such as servers and switches, the overall consumer demand and poor sales of smartphone brands in China, coupled with some manufacturers adjusting their product strategies and gradually reducing production capacity of lower-margin products, have suppressed growth momentum, with only a modest 6.3% growth and a slight decrease in value of production to 18.2%. The growth momentum was suppressed, with only 6.3% growth and a slight decrease in the value of production to 18.2%. Although the quarter was still driven by server and router-related applications, it was still unable to recover from the negative environment, with a flat annual growth rate of 0.3%. Rigid and flexible laminates grew at a high annual rate of 85.8% this quarter, mainly due to the demand for high-end notebooks, which led to continued expansion in production value and an increase in the overall share to 1.9% from 1.1% a year ago.





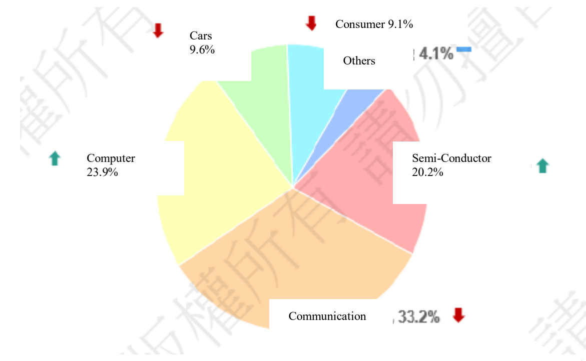
Note: The statistical scope of the data is the proportion of the total output value of PCBs produced by Taiwanese companies and foreign companies in Taiwan,

represents the increase or decrease of the proportion of product output value in Q3 2022 compared to the same period last year.

(3) Application market structure and revenue growth rate

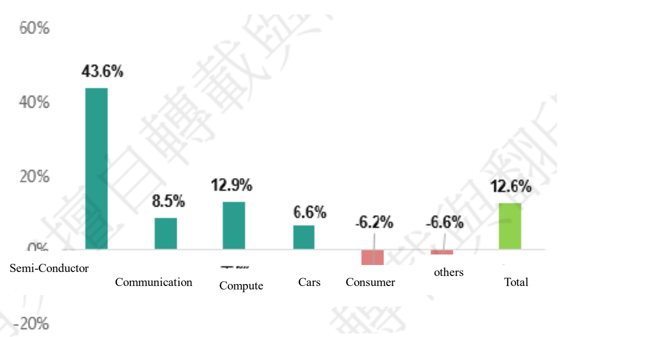
In the application market, semiconductors continue to be the highest growth area, with HPC-related products being the most prominent. However, the increase in the proportion of high-end iPhone models, the expansion of satellite communication products and the increase in the value of network products all had significant supporting effects, and the overall communication output was only slightly lower than the overall average by 8.5%. The negative impact of the poor overall PC market was completely offset by the strong increase in Apple notebook sales and servers, especially for software boards, which drove computer output to a 12.9% annual growth rate better than the overall average, and second only to semiconductors. In addition to the positive growth in overall sales volume for five quarters, the trend of electronics and electrification led to an increase in flexible, HDI and rigid-soft laminates, although the decline in multilayer rigid laminates depressed the overall performance. Consumer products, on the other hand, began to decline more significantly in the third quarter due to soaring inflation and economic uncertainty, with a 6.2% decline in output led by non-mainstream, higher-weight products. Overall, the board maintained certain growth momentum in all applications except consumer applications, thanks to the success of high-end products. The overall communications output was only marginally lower than the overall average at 8.5%. The negative impact of the poor overall PC market was completely offset by the strong increase in Apple notebook sales and servers, especially for software boards, which drove computer output to a 12.9% annual growth rate better than the overall average, and second only to semiconductors. In addition to the positive growth in overall sales volume for five quarters, the trend of electronics and electrification led to an increase in flexible, HDI and rigid-soft laminates, although the decline in multilayer rigid laminates depressed the overall performance. Consumer products, on the other hand, began to decline more significantly in the third quarter due to soaring inflation and economic uncertainty, with a 6.2% decline in output led by non-mainstream, higher-weight products. Overall, the board maintained certain growth momentum in all applications except consumer applications, thanks to the success of high-end products.

2022Q3 Cross-Strait PCB Application Market Structure for Taiwan Companies



Note: The statistical scope of the data is the proportion of the total output value of PCBs produced by Taiwanese companies and foreign companies in Taiwan,

2022Q3 Taiwan's cross-strait PCB product YOY growth rate

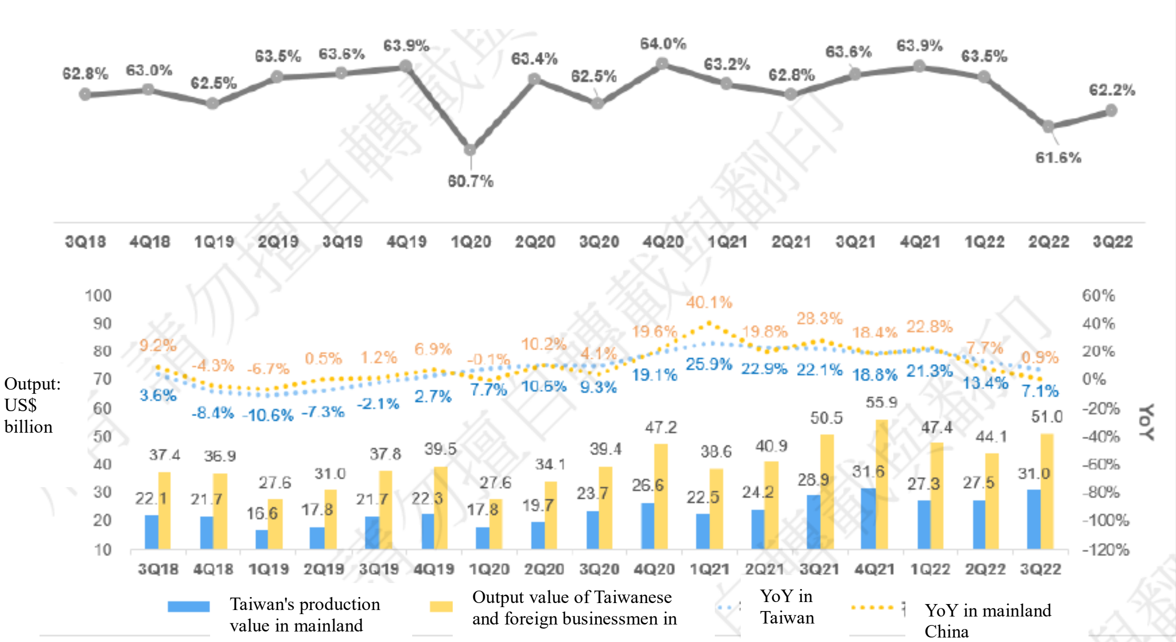


represents the increase or decrease of the proportion of product output value in Q3 2022 compared to the same period last year.

(4) Trend of Cross-Strait Output Value of Taiwan Businesses

In recent years, except for 1Q20 and 2Q22 when there was a significant jump due to the closure of the city due to the epidemic and the unexpected event of power restriction in Kunshan, the proportion of Taiwan companies' output value in Mainland China hovered between 62% and 64% in the remaining quarters due to the low season effect, the difference in product application or product proportion, and the timing of new machine releases by customers. In terms of long-term observation, the proportion of output value of cross-strait products has been maintained at a balance point in recent years due to their respective strengths. However, at this stage, the global atmosphere is moving in the direction of decentralization of production capacity. Although this will not have an immediate impact on the proportion of production value across the Taiwan Strait, as far as enterprises are concerned, the scale and decision of future investment across the Taiwan Strait will still be influenced by the consideration of resource allocation, which is also listed as the direction of future long-term observation.

The proportion of Taiwan PCB manufacturers' output value in Mainland China



Data source: TPCA; International Institute of Obstetrics, Institute of Industrial Research (2022/11)

CES key trend observation

The institute pointed out that the growth of the global consumer electronics market is generally slowing down due to multiple uncertainties such as inflationary pressure, the ongoing war between Russia and Ukraine and the continuation of the epidemic, and new growth drivers need to be driven by innovative applications. In first-hand observations, as the epidemic subsides, CES 2023 has recovered considerably from the past two years, reaching an estimated 70% of the CES peak. As the smart electric vehicle market is gradually maturing, more than 300 car manufacturers will participate in the exhibition this year, which is almost the fourth largest auto show in the world after the Tokyo Motor Show, Frankfurt Motor Show and Detroit Motor Show. In addition, CES has gradually become a global innovation base, driving the implementation of various innovations with key technologies such as 5G, AIoT, high-speed computing, sensor fusion and Web/3D. The international manufacturers are actively cooperating with NICs to innovate technology and services through a platform strategy, bringing more innovative power to the companies.

CES 2023 continues to attract attention to the theme of innovation and technology, including the self-driving and electrification of various mobile vehicles, immersive health and fitness experiences, metaverse, smart home networking, and environmental sustainability innovation.

2. Correlation between upstream, middle and downstream industries

According to the IMF's updated "World Economic Outlook" report released in October, the economic growth rate for 2022 remains unchanged from the July estimate of 3.2%, but the economic growth forecast for 2023 has been revised down to 2.7% from the July estimate of 2.9%, which is the weakest economic growth performance since the Internet bubble in 2001, the financial tsunami in 2008 and the COVID-19 crisis in 2020. Weak economic growth performance, along with the escalating war between Russia and Ukraine with no end in sight, inflation and energy crises, and China's economic slowdown are the main factors contributing to the gloomy global economic outlook. In addition, the IMF further pointed out that one third of the world's countries will face the risk of "two consecutive quarters of negative growth" economic contraction by 2023, and the continued stagnation of growth in the three major economies of the United States, China and the European Union, this situation is not conducive to the sales of consumer goods is already quite low.

Although the manufacturing sector is still expanding, the pace of expansion has slowed, with the new orders index falling into contraction, and the rate of decline is the fastest since May 2020, mainly due to the impact of the Federal Reserve's aggressive interest rate hikes that have cooled demand for commodities. The U.S. economy is sliding toward the brink of recession, with the inventory index hitting a new low since mid-2020, the export orders index contracting for the third consecutive month, and the manufacturing index reflecting cost-cutting by companies in response to a weak demand market in October. The final Eurozone manufacturing PMI fell again to 46.4 in October from 48.4 in September, mainly due to high inflation and economic weakness exacerbating the cost of living crisis in the Eurozone, which continues to erode market demand for commodities, causing the Eurozone manufacturing PMI to fall to its lowest level since the epidemic blockade in 2020, further strengthening market expectations of recession in the Eurozone. The manufacturing PMI indices of Germany, France, Italy and Spain are all below the 50 boom line, highlighting the gloomy outlook for the region. China's manufacturing PMI dropped 0.9 percentage points to 49.2 in October from 50.1 in September, falling below the prosperous line again. This, coupled with the fact that the PMI of high-energy-consuming industries fell into contraction territory, is one of the reasons for the decline in the manufacturing boom.

Table 1 Estimated Global

	2021	2022(e)	2023(f)	Variance from July 2022 estimate	
				2022	2023
	6.1	3.2	2.7	0.0	−0.2
Ameri	5.7	1.6	1.0	−0.7	0.0
Eurozone	5.3	3.1	0.5	0.5	−0.7
Englan	7.4	3.6	0.3	0.4	−0.2
Japane	1.6	1.7	1.6	0.0	−0.1
China	8.1	3.2	4.4	−0.1	−0.2
India	8.9	6.8	6.1	−0.6	0.0
Russia	4.7	−3.4	−2.3	2.6	1.2
Brazil	4.6	2.8	1.0	1.1	−0.1

Information source: IMF

3.Various development trends and competition of products

Unit：Million Units

	2022Q3 shipment	2022Q3/2021Q3	2022 Estimated	2022/2021
Smartphone	301.9	-9.7%	1,239.6	-8.5%
Computer	74.3	-15.0%	279.1	-14.3%
Tablet PC	38.6	-8.8%	153.5	-9.1%
Servo	4.7	5.8%	18.1	6.4%
Cars	21.1	13.9%	78.0	-3.7%

Information source: ITRI,

(1) Mobile phone shipment volume

Global inflation and economic uncertainty have severely dampened consumer demand and willingness to spend on smartphones, while inventory adjustments and geopolitical issues have adversely affected the smartphone market, resulting in a 9.7% decline in global smartphone sales to 302 million units in the third quarter of 2022 compared to the same period last year, marking five consecutive quarters of decline. In terms of shipments from the top five brands, Samsung ranked first with a 21.2% market share, mainly due to sales of low-cost A-series and M-series entry phones. Apple, the world's second largest smartphone brand, benefited from the continued popularity of the iPhone 13 series and the newly released iPhone 14 series, resulting in a negative sales growth, The market share of Xiaomi, Vivo and OPPO in the third to fifth places are all brands from China, with market share of 13.4%, 8.6% and 8.6% in that order. The decline was also larger than the average decline of 8.8% after the sixth place. Overall, the top five brands did not change in ranking, but the iPhone consumer group still showed better loyalty in the face of reduced demands.

Unit：Million Units

Ranking	Name of Manufacturer	3Q22 shipment	3Q22 market	3Q21 shipment	3Q21 market	3Q22/3Q21 growth rate
1	Samsung	64.0	21.2%	69.5	20.8%	-7.8%
2	Apple	51.9	17.2%	51.1	15.3%	1.6%
3	Xiaomi	40.5	13.4%	44.3	13.3%	-8.6%
4	vivo	25.9	8.6%	33.3	10.0%	-22.1%
5	OPPO	25.8	8.6%	33.2	9.9%	-22.3%

Information source:IDC(2022/11)

(2) PC shipment volume

The global PC market shipped 74.3 million units in the third quarter, a 15.0% decline compared to the same period last year, and a continuation of the double-digit decline in the second quarter. Although the problems in the PC supply chain have been alleviated, the overall decline in sales volume can be attributed to the global economic slowdown, which has led to lower purchasing motivation among consumers, as well as companies' doubts about the future economic climate, which have led them to scale back or delay their purchases. In addition, the additional demand generated by WFH in 2021 has led to a high base period, which has also added to the pressure of recession in 2022. It is worth mentioning that Apple's strategy to promote its own M1 processor chip by lowering the price of Mac products worked, making Apple the only brand that grew against the trend this quarter, and the 40.2% growth rate is simply unbelievable compared to the overall performance.

Unit： Thousands Units

Ranking	Name of Manufacturer	3Q22 shipment volume	3Q22 market share	3Q21 shipment volume	3Q21 market share	3Q22/3Q21 growth rate
1	Lenovo	16,880	22.7%	20,129	23.1%	-16.1%
2	HP	12,706	17.1%	17,603	20.2%	-27.8%
3	Dell	11,963	16.1%	15,184	17.4%	-21.2%
4	Apple	10,060	13.5%	7,174	8.2%	40.2%
5	ASUS	5,540	7.5%	6,011	6.9%	-7.8%

Information source:IDC(2022/11)

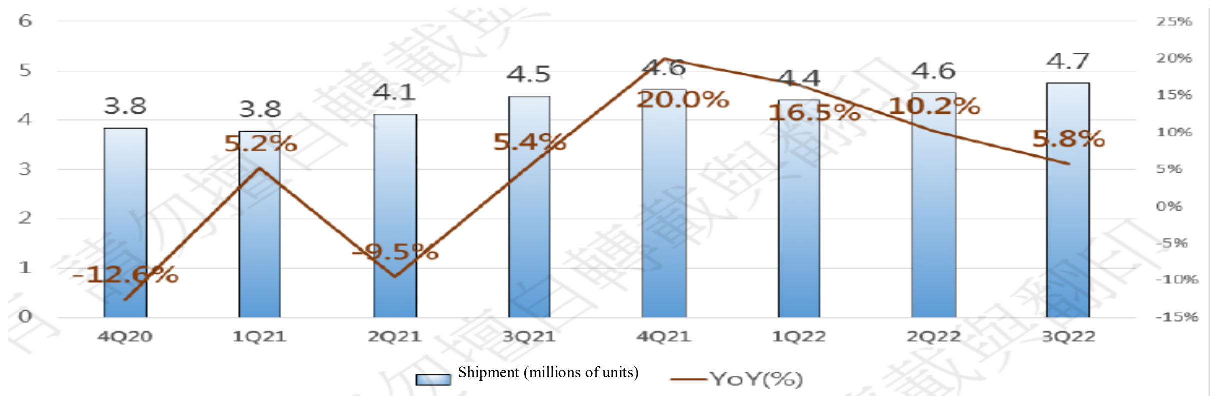
(3) Tablet PC shipment

Since the COVID-19 epidemic spread, the tablet market has been used for a wide range of applications, such as distance learning, entertainment and even cross-discipline digital transformation, but after two consecutive years of significant growth in 2020 and 2021, the market reversed in 2022. Although Chinese mainland smartphone suppliers such as Realme, OPPO and Xiaomi have been aggressively attacking the market with low-priced tablets, they still could not offset the overall decline in shipments, with global tablet shipments declining 8.8% to 38.6 million units in the third quarter, the same decline as smartphones for five consecutive quarters. Among the top five brands, except for Huawei, which ranked fifth due to the launch of new products and active promotion, driving a slight 2% growth in shipments in the downturn, the rest of the top four brands, including Apple, all showed a decline. Overall, tablet PCs are positioned in a blurred area between notebooks and smartphones. After the "epidemic dividend" has subsided, it is not easy to achieve significant sales growth in the long run if the products themselves are not unique.

Unit： Million Units

Ranking	Name of Manufacturer	3Q22 shipment volume	3Q22 market share	3Q21 shipment volume	3Q21 market share	3Q22/3Q21 growth rate
1	Apple	14.5	37.5%	14.7	34.6%	-1.1%
2	Samsung	7.1	18.4%	7.4	17.5%	-4.0%
3	Amazon.com	4.3	11.1%	4.7	11.1%	-8.1%
4	Lenovo	2.7	7.0%	4.3	10.1%	-36.6%
5	Huawei	2.4	6.2%	2.3	5.5%	2.0%

Information source:IDC(2022/11)

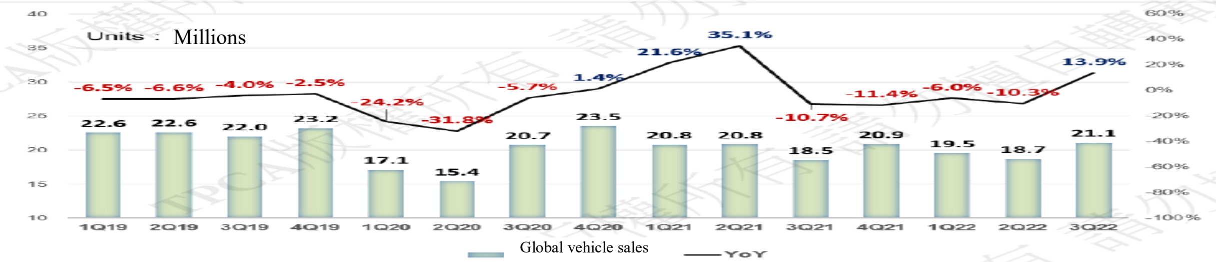


Information Source: DIGITIMES Research

(4) Server shipment volume

Since the launch of 5G infrastructure and the start of sales of terminal smartphones, servers, as data processing hubs, are still subject to changes in off-season, corporate spending and other external events, but in the long run, their growth and decline is related to the overall data traffic demand. In terms of sales volume, 4.7 million units were shipped in the quarter, up 4.3% from the second quarter and 5.8% from the same quarter last year. The installation of large cloud data centers remained a key factor in sustaining growth in the quarter, but the psychological impact of the expected global economic slowdown had a knock-on effect on the rate of corporate expansion, which contributed to the significant decline in annual growth rate in the quarter compared to the previous quarter. In terms of sales volume, the top three companies in terms of individual vendor are Meta, Amazon, Dell, Supermicro, Google, HPE, Microsoft, Inspur, Lenovo and Huawei, with a total market share of 88.4%, Microsoft and Google, all of which are large players in North America.

(2) Cars shipment volume



Information Source: LMC Automotive

In the past two years, the global automotive industry has experienced a decline in demand caused by the epidemic in the early stage and a lack of supply due to material shortage in the later stage, making it impossible for the sales volume to return to the pre-epidemic level. According to LMC Automotive's statistics, global vehicle sales in 3Q22 were 21.1 million units, an increase of 13.9% compared to the same period last year. In other words, if the situation remains unchanged, there is a chance that the sales of automobiles will gradually improve.

(III) Technology and R&D overview

1. R&D spending during the most recent year or as of the publication date of this annual report

Unit: Amounts expressed in thousands of New Taiwan Dollars

Year	R&D expense
2022	134,680
As of March 31, 2023	26,524

2. R&D achievements

(1) Increasing the yield for multiple-layer, multiple-crimps and high-pitch process to 96%.

(2) Yield for line width and line gap at 3mil above 97% and above 95% at 2mil.

(3) Error for impedance control boards within +/-5% and yield at 99%

(4) Scale production of six-layer board, with a thickness of 0.6mm; eight-layer board at 0.8mm±.05 and 2/2 line width and line gap

(5) Scale production of industrial control boards at least twelve layers and with over 95% high reliability

(6) Over 80% yield for high-end semiconductor test boards (50 layers and above, with aspect ratios of over 30)

(IV) Long-term and short-term development plans

1. Short-term development plan

(1) Enhancement of production technology and manufacturing process

In 2023, the Company plans to enhance the yield of semiconductor test boards (BGA pitch 0.35mm) to 90% and develop the manufacturing capability for buried holes of ≤0.1mm in diameter. There will also be enhanced efforts in the development of through-blind-hole filling and electroplating technology, to keep up with the trend for smaller line widths and holes and thinner PCBs. The manufacturing process improvement includes the purchase of additional automated equipment for hole drilling, solder masking, copper plating and dry filming, in order to reduce labor requirements and shorten lead-times and to provide faster deliveries. The purpose is to strengthen the production and management for varieties.

(2) Business development and export markets

It is a sure trend that contracted electronics and IT manufacturing moves from Taiwan to China where the land and the labor is cheap. Taiwanese companies will retain the R&D of high-end electronic products at home. In the meantime, large EU/US companies with leading technologies will gradually place orders with Taiwan when phasing out old products and introducing new products. There is a significant scope for growth for the Company in supporting the Taiwan electronics industry regarding R&D and product transformation, exodus to China and developing export markets.

(3) Production capacity utilization and expansion

The Company’s monthly capacity for scale production can reach 200,000 square feet. Current output is 50%-60% of the maximum capacity. The manufacturing process is changed frequently for samples of small to medium volumes. Samples of small to medium volumes account for approximately 20% of total outputs but contribute to less than 30% revenues. Hence, the capacity is prioritized for high value added sample boards of small to medium volumes. The scale benefit of orders for PCBs of high volumes shares the cost of equipment operation and utilizes the remaining capacity.

2. Long-term development plan

(1) Increase value added of products with finer lines, smaller holes, more layers and high aspect ratios

The continuous layer-by-layer lamination and the build-up method will be introduced in response to market changes. The long-term plan is to develop rigid-flex printed circuit boards to enhance product variety and boost profitability.

(2) Continued drive for automation for better production efficiency and quality

(3) Proactive development of international markets and establishment of global marketing channels

(4) Digitalization for information integration, analysis and customer services and higher administrative and management efficiency

(5) Recruitment of high-caliber talents and robustness of the operational system to ensure corporate sustainability

2. Markets, production and sales

(I) Market analysis

1. Main geographic markets

Unit: NT$ thousand; %

Region \ Year	2021		2022	
	Amount	%	Amount	%
Taiwan	1,125,796	30.43	914,738	29.82
China	2,344,620	63.38	1,908,315	62.2
Americas	72,804	1.97	52,917	1.72
Southeast Asia	65,140	1.76	86,607	2.82
Others	90,933	2.46	105,488	3.44
Net sales	3,699,293	100	3,068,065	100

2. Market shares

Unit: NT$ million

Item \ Year	2021	2022
Total PCB revenue of Plotech Technology and its subsidiaries	3,699	3,068
Global PCB sales	2,352,000	2,646,000
Market share (%) of Plotech Technology and its subsidiaries	0.16	0.12

3. Future market supply and demand situation and growth

(1) Personal to family motion-sensing video and audio re-evolution of the universe business opportunities will develop rapidly

Although the world has returned from an epidemic home to a normal life style, the digital twin development of the metaverse has become a major trend, and the "Metaverse of Things (MoT)" business opportunity through the fusion of two major technologies, virtualization and immersion, is expected to be realized sooner than we think. From the home, personal and even the car cabin, more emphasis has been placed on the creation of a private and immersive atmosphere than before the epidemic, through the optimization of the display screen and the user's interactive connection. In home applications, size and picture quality are the primary battlegrounds for manufacturers. Through 80" and 8k high-definition screens, they are trying to establish a TV-based connection center in the home living room and return to the hardcore demands of TVs; meanwhile, OLED continues to develop various variants, such as transparent, scratchable, and 3D applications in special niche markets. In the personal application context, more VR wearable devices on the body: in addition to VR headset, including clothing, gloves, protective gear, etc. also become to improve the immersion of the equipment. With the rapid development of AR/VR, it is gradually moving from the professional field to personal daily life, and adding AI intelligence to create a personalized service application, which has pushed AR/VR from cool to practical stage. In the context of the car room space development, in addition to the configuration of more display screens, car anthropomorphism has also improved the human-machine interface is no longer only in the one-way voice control commands, including BMW, Sony and other major manufacturers are trying to establish a human and car can communicate with the emotion of the car building project.

(2) Post-epidemic health technology from the hospital into family life as the new family health hub

According to the exhibition observation of the Institute, in the development of post-epidemic health technology, relevant industries pursue to use more diversified and accurate physiological signal sensing technology to create a diversified healthy life for individuals. Healthy living will be implemented in Digital Therapeutics, Fitness Tech and Mental Wellness, with higher precision sensing technology and high computational AI analysis to improve accuracy and scope. Make disease prevention, detection, treatment, health care more convenient and effective. It can be predicted that in the future, post-epidemic health technology will enter family life like 3C technology. After the expensive exclusive coaches or nutritionists in the past enter the medical field through technology, the general public can easily obtain the same service experience, such as: with vision, pressure sensing and situational assistance, the house will be transformed into an exercise gym, and indoor sports will be more fun. In addition, the electrification of mobile sports equipment, including bicycles, skateboards, inline skating and other mobile sports equipment have joined the electrification, which can not only increase the sports distance, but also serve as another choice for commuting, but the development of lightweight batteries is the key. In terms OF ENHANCING THE aspect OF PLEASANT life, by technologizing the gadgets of daily life, it can reduce the negative physiological states such as stress, anxiety, restlessness and insomnia. For example, the South Korean MotionPillow anti-snoring smart pillow can sense the sound of beating, automatically inflate and adjust the pillow height, which can naturally change the sleeping position of the head of the snorer, stop snoring, and improve the sleep quality of the whole family. In addition, everyday products are beginning to add self-driving functions. For example, GluxKind, a Canadian company, has launched a baby stroller called the Ella model, which can follow its owner's actions and automatically move forward or stop (encounter obstacles or the owner stops moving forward) because the body has a sensor radar and battery. It is worth noting that although autonomous mobile devices can reduce the burden of performing household tasks, trust still needs to be improved to achieve both physical and psychological burden release.

(3) Automobile technology has entered the era of open competition, focusing on four major trends: safety, entertainment, connection and autonomous driving

After the return to the physical exhibition of CES 2023, automotive related technologies will be displayed in the new exhibition hall, which is one of the main battlefields with the highest attention this year. Manufacturers in the automotive field are more and more not limited to the traditional automotive supply chain. With the significant improvement of the intelligent and electric degree of vehicles, automotive electronics will also open up, ushering in new forces in various industries. With the improvement of the computing power of advanced automotive chips and the development of autonomous driving, automotive semiconductors will usher in rapid growth. The three giants of advanced central computer chips have already formed, and the research and development plans of Nvidia, Qualcomm and Mobileye are close. The establishment of automotive ecosystem will be the key to seize the market. The institute observed four bright spots in automotive technology this year: first, a large number of sensors were introduced into the cockpit to monitor the driver's status and ensure driving safety; Second, time in the car will also be used more actively, and games can be introduced into the car system for passenger entertainment, so that drivers can relax more thoroughly while waiting for charging. Third, through the connection between the car system and the home system, the home and the car can interact and control each other, seamlessly connecting to help manage time. In addition, the degree of autonomous driving continues to improve, and it is expected that the maturity of related technologies and plans to introduce them into the commercial market will be shown in the near future. At a time when the automotive supply chain is undergoing major innovation, this also represents an opportunity for Taiwanese manufacturers to enter the automotive industry and take root. Taiwan's strengths in the semiconductor field, including foundry, professional chip design, custom chip development, communication and image processing technologies, are excellent opportunities to enter the automotive supply chain.

(4) "Connectivity" and "Sustainability" are the two key trends of smart home

The years of global epidemic have reinforced the importance of home environment and created various needs, from bedroom, kitchen, bathroom to home security monitoring, all continue to introduce electronic products that help make life more convenient and intuitive. The trend of personalization of home appliances shows that home electronic products have advanced from satisfying basic functional needs to creating a taste of life. According to the observation of the Institute of Industry and Research, seamless and intuitive connection experience is the element that home electronics products can go deeper into the market. In addition to the interconnection technology continuously cultivated by major brands, the official launch of Matter, a smart home standard led by Google, Amazon, Apple and other factories, highly integrates home appliances to communicate with each other. It also strengthens manufacturers' confidence in the smart home market, and it is expected that Matter's open ecosystem will bring a new wave of growth to the smart home. In addition, sustainability is also the goal that major manufacturers strive to implement, and they have launched more environmentally friendly technologies and products. For example, Samsung, a major South Korean household appliance manufacturer, has released many energy-saving technologies for household appliances and is committed to creating Net Zero Home. Schneider Electric announced the Home Energy Management System, providing a one-stop solution to manage the power and storage needs of smart homes, reducing the complexity of management. In this way, we are demonstrating our commitment to green sustainability and doing our part for the planet while promoting technological progress. ITRI estimates that the consumer electronics semiconductor market will benefit from innovative consumer electronics products and continue to grow at a compound annual growth rate (CAGR) of 3.2% in the future.

4. Competitive niches

(1) Given the shorter product lifecycles in the electronics industry, customers are demanding shorter lead-times for production of key components. This is why highly responsive and flexible manufacturing capabilities will become an important factor in the selection of suppliers. The possession of this production and management capabilities will be a key indicator of industry competitiveness.

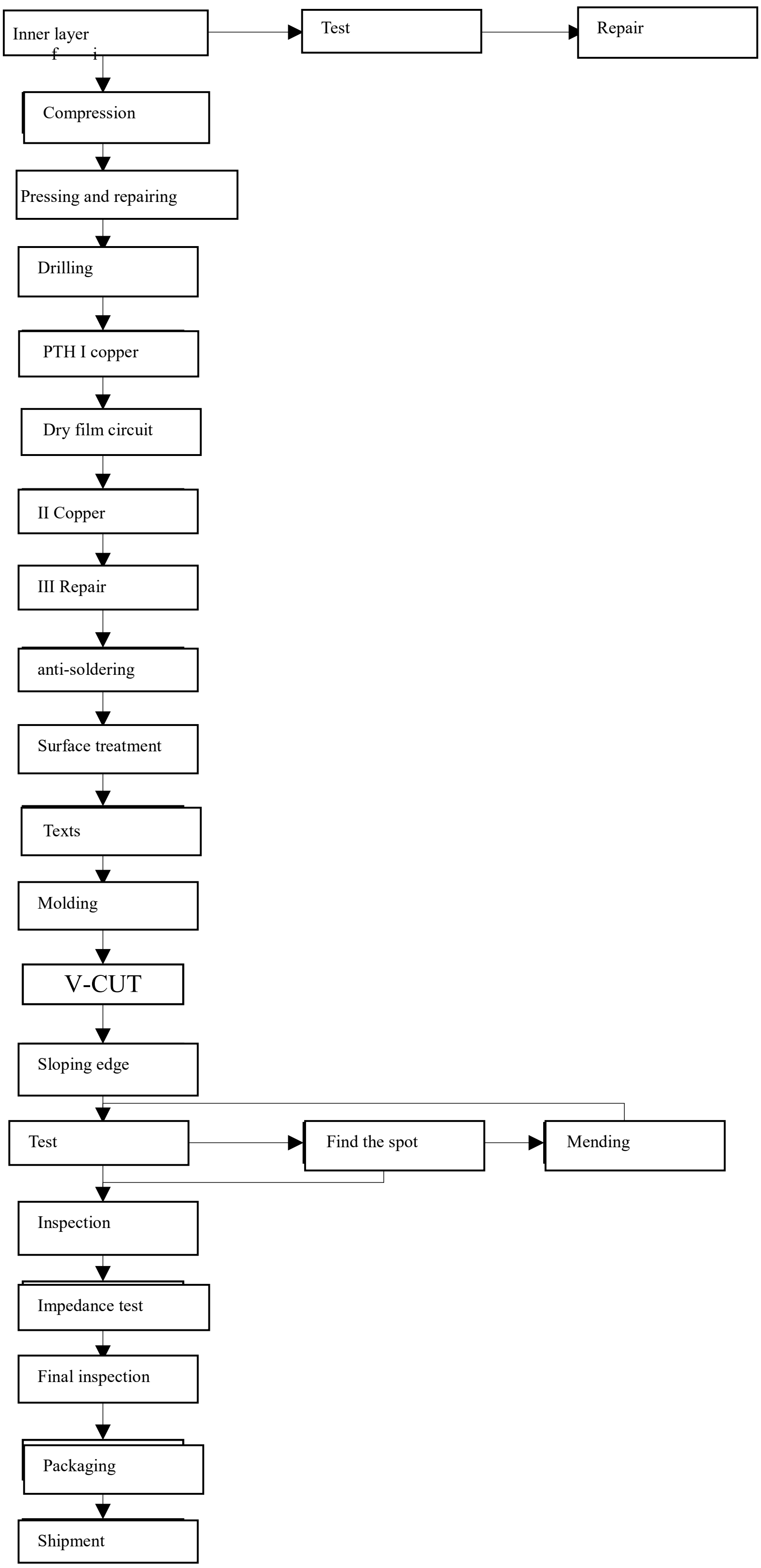
(2) The supply of raw materials is in a good condition. We maintain long-standing relations with main suppliers and most raw materials can be supplied by domestic companies. Hence, the deliveries and sources are stable.

5. Positive factors and negative factors of development and responding strategies

Item	Positive factors	Negative factors	Responding strategies
1. Key businesses and outlook	1. The primary business is the manufacturing of rigid printed circuit boards (PCBs) in small to medium volumes. PCBs are a basic component for IT and electronic products. The booming development of the IT industry and the R&D of new electronic products will drive the demand for PCBs in small to medium volumes. There is still room for growth. 2. The Taiwanese PCB industry has been depending on the U.S. personal computer industry. As the U.S. PCB industry gradually lost the competitiveness in pricing, quality and delivery, it can no longer compete with Taiwanese companies in the biggest market segments for PCS such as computers, telecommunication and consumer electronics. The Taiwanese PCB industry has thrived as a result. 3. Among the annual government spending of NT$12-13 billion on technology projects, NT$6-7 billion is for the IT and electronics industry. The demand for printed circuit boards will increase significantly along with the development of the IT industry. 4. The Company boasts strong capabilities in manufacturing process planning and the yields are high. With constant improvement in production efficiency, we strive to establish long-term customers and boost profitability.	1. The bright outlook for the PCB industry promoted leading manufacturers to significantly expand capacities. The ensuing competition reduced gross margins. 2. Foreign workers are needed in Taiwan where domestic labor is in shortage. This increases management burdens. 3. Given the rising awareness in environmental protection and the increasingly stringent environmental regulations over recent years, manufacturers need to increase spending on environmental protection and pollution control. This is to ensure proper treatment of waste gases, waste water and wastes from the production of printed circuit boards.	1. Development of new clientele and identification of high-profit boards to differentiate from the market and to maintain profitability. This ensures quality and enhances competitiveness. 2. Promotion of production automation; reduction of production cost via manufacturing process simplification; introduction of foreign workers and enhancement of labor management 3. Purchase of equipment for pollution prevention to comply with environmental regulations and to achieve overall planning of pollution prevention.
2. Industry position	Accepting orders for different volumes and offering punctual deliveries, stable quality and a full suite services. Known in the industry for pioneering the market segment for printed circuit board samples and a unique business philosophy.	Small in business scale. The size of the sample board market is small than the market for mass production boards.	Enhancement of business development for the US/EU orders for high unit-price sample boards. Also focus on the development of the mass market board market in Taiwan and China, to expand the operational scale.
3. Supply of main raw materials	The majority of PCB manufacturers in Taiwan are in Taoyuan, Zhongli and adjacent regions in the northern counties. Raw materials such as substrates and chemicals as well as manufacturing equipment are readily available in proximity. There is great support. Supply of goods is ample, in good quality and at competitive prices. In China, supply is not an issue as many Taiwanese companies have set up factories here and the local supply chain has been growing.		
4. Sales of main products	Due to the special transaction type, the sample has been in the state of receiving orders actively, and the medium and small volume production board orders have a more obvious impact with the peak season.	Orders for small to medium volumes are subject to business cycles.	Clientele diversification and business development for sample orders with high added value. Reduction in product concentration to avoid the adverse impact on the growth and stability due to recession of a single market.
5. Financial position	The Company strives for stable financials, with ample internal capital.	Due to the increasing difficulty in the manufacturing process and the higher requirements for quality of multi-layer PCBs, the demand for high-precision machinery is gradually rising. This is funded by mid-term and long-term capital.	The public listing of our shares provides access to the capital market for long-term financing and greater competitiveness.

(II) Production process and use cases of main products

1. Production and manufacturing process



2. The Company’s current main products

The Company’s current main products can be divided into rigid double-sided PCBs and multi-layer PCBs by category or divided into sample PCBs and mass production PCBs according to production and marketing types. Sample PCBs are sold to domestic electronics manufacturers for trials by R&D units. Compared to mass production boards, samples come in a smaller volumes and higher unit prices. Orders for samples during the customers’ R&D stage open the door for mass production. The Company defines mass production boards as those with six or seven substrates. This definition is somewhat different from those defined by other TWSE/TPEx listed companies. IATF16949 certified and able to attract orders for automobile or peripheral PCBs as a new business The second main product is semiconductor test boards. This category accounts for approximately 40% of revenues at the Taiwan factory. It is hoped that the revenue from semiconductor test boards for high-end manufacturing processes can be increased to 60% this year. This will boost revenues and profits.

(III) Supply of main materials

The primary materials for PCB production are substrates, cooper foils, dry films and inks. As substrates are the most important raw material for PCBs manufacturing, the Company maintains good and long-term relationships with suppliers such as Taiwan Union Technology Corporation to ensure quality and stable sources. The main supplier of cooper foils and dry films is Chang Chun Group. As the Company maintains good relations with suppliers, the supply sources are highly stable. Below is the list of the supplies of main materials.

List of Raw Materials Supply to Plotech Technology

Main raw materials	Supply sources	Supply status
Substrates	Taiwan Union Technology Corporation, Isola	Good
Potassium gold cyanide	Hon Hai Precision Industry	Good
Cooper foils	Chang Chun Group	Good
Cooper balls	Redsun Metal Ind. Co., Ltd.	Good
Inks	Taiyo Ink Mfg. Co., Ltd.	Good
Dry film	Lianda Takewin International	Good
Chemicals	Uyemura Taiwan	Good

(IV) List of suppliers/customers accounting for at least 10% of purchases/sales during the past two years

1. Top ten suppliers during the past two years

Unit: Amounts expressed in thousands of New Taiwan Dollars

	2021				2022				As of the first quarter of 2023			
Item	Name	Amount	As % of the net purchase of the year	Relation with the issuer	Name	Amount	As % of the net purchase of the year	Relation with the issuer	Name	Amount	As % of net purchases as of the most recent quarter in the current year	Relationship with the Issuer
1	Doosan Electronics (Changshu)	163,932	11.45	None	Doosan Electronics (Changshu)	150,751	13.23	None	HAPPY UNION ELECTRONICS CORP.	46,231	18.66	None
2	Taiwan Union Technology Corporation	147,476	10.30	None					Elite Material Co. Ltd.	26,698	10.78	None
	Others	1,120,744	78.26		Others	988,417	86.77		Others	174,845	70.56	
	Net purchase	1,432,152	100.00		Net purchase	1,139,168	100.00		Net purchase	247,774	100.00	

Note: Names of the customers accounting for at least 10% of total sales, amounts and percentage of sales. However, if the contracts do not allow the disclosure of the names of the customers or the trading counterparties are natural persons and not related parties, it is possible to use codes.

2. Top ten suppliers during the past two years

Unit: Amounts expressed in thousands of New Taiwan Dollars

	2021				2022				As of the first quarter of 2023			
Item	Name	Amount	As % of net sales during the year	Relation with the issuer	Name	Amount	As % of net sales during the year	Relation with the issuer	Name	Amount	As % of net sales as of the most recent quarter in the current year	Relationship with the Issuer
1	Customer G	1,092,447	29.53	None	Customer G	966,896	31.51	None	Customer H	66,406	13.07	None
2	Customer H	411,316	11.12	None	Customer H	349,457	11.39	None	Customer G	58,271	11.46	None
	Others	2,195,530	59.35		Others	1,751,712	57.10		Others	383,453	75.47	
	Net sales	3,699,293	100		Net sales	3,068,065	100		Net sales	508,130	100.00	

Note: Names of the customers accounting for at least 10% of total sales, amounts and percentage of sales. However, if the contracts do not allow the disclosure of the names of the customers or the trading counterparties are natural persons and not related parties, it is possible to use codes.

(V) Production values during the past two years

Unit: Square feet

Year / Production volume and value / Main products	2021			2022		
	Capacity	Output	Production value	Capacity	Output	Production value
Sample PCBs	—	109,949	217,688	—	91,435	360,168
Mass production PCBs	—	4,077,552	2,656,993	—	3,106,518	2,169,469
Total	4,680,000	4,187,501	2,874,681	4,680,000	3,197,953	2,529,637

(VI) Sales during the past two years

Unit: Amounts expressed in thousands of New Taiwan Dollars/thousands of shares

Year	2021				2022			
Sales	Domestic sales		Overseas sales		Domestic sales		Overseas sales	
Main products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Sample PCBs	637,016	498,486	470,528	241,824	337,179	367,367	356,194	198,379
Mass production PCBs	2,383,736	2,317,975	333,073	364,327	2,063,481	1,920,532	303,081	386,070
Products	147,174	249,796	21,211	26,885	139,721	168,310	18,509	27,407
Total	3,167,926	3,066,257	824,812	633,036	2,540,381	2,456,209	677,784	611,856

3. Employees

Data on the personnel during the past two years and as of the publication date of this annual report

Item		2021	2022	As of the first quarter of 2023
No. of employees	Management and sales personnel	428	451	472
	Indirect personnel			
	Direct personnel	740	949	1,034
	Total	1,168	1,400	1,506
Average age		32	33	33
Average service years		6	7	7
Distribution of education background (%)	Doctoral degree	0	0	0
	Master's degree	8	9	9
	University	109	137	137
	College	144	195	205
	Senior high school	281	316	313
	Below senior high school	626	743	842

4. Spending on environmental protection

Losses as a result of environmental pollutions during the most recent year or as of the publication date of this annual report (including compensations, results of environmental protection audits, breaches of environmental regulations, dates of punitive measures, official document numbers in relation to punitive measures, laws and regulations violated, details of regulatory violations and punitive measures). Please also disclose the estimated amount for the present and the future and responding measures. If a reasonable estimate cannot be reached, please explain the facts regarding the impossibility for reasonable estimates.

(I) Punishments received and improvements made during the past two years

Date of disposal	Ruling number	Violation of statutory provisions	Violation of statutory contents	Disposition amount
August 12, 2022	40-111-080020	Waste Cleaning Law Article 31, Item 1, Paragraph 1	According to the business waste cleanup plan and the online declaration data, the output of waste lighting source (lamp tube, bulb)C-1073 containing mercury has exceeded 10% of the monthly maximum output of the business waste cleanup plan.	NT$60,000

(II) Responding strategies (including improvement measures) and possible expenditures

1.Environmental protection planning

(1) Waste water

A. Engineering works to improve the waste water system: NT$600,000 in cost.

B. Continued to enhance the emergency response capability of the operators at the waste water facilities in event of abnormality in water quality. No expense occurred.

C. Use of simple test kids to inspect COD (chemical oxygen demand) and cooper ion in effluent disposal. Outsourcing to a laboratory recognized by the Environmental Protection Administration to conduct weekly inspections and issue reports for recordkeeping purposes: approximately NT$150,000 per year in cost.

D. Maintenance of sludge dewatering equipment and regular replacement of filter presses: NT$200,000 in cost.

E. Document amendments and changes: NT$300,000 in cost.

F. Water pollution prevention and control fee, annual cost of about 180,000 yuan.

(2) Wastes

A. A Advocacy of trash classification and resource recycling: about NT$6,000 in cost.

B. Environmental improvement of waste storage sites, wastes removal and processing, and relevant maintenance: a monthly cost of approximately NT$500,000.

C. Quarterly payments of soil pollution charges: an annual cost of approximately NT$300,000.

D. Document amendments and changes: NT$50,000 in cost.

(3) Air pollution control:

A. Quarterly payments of air pollution charges: an annual cost of approximately NT$20,000.

B. Maintenance of air pollution control equipment: an expense of NT$200,000.

C. Maintenance of dust collectors: an expense of NT$200,000.

D. Document amendments and changes: NT$200,000 in cost.

2. Capital expenditure on environmental protection expected for the next three years

The Company strives to do more for environmental protection and to create win-wins for environmental protection and manufacturing process and quality. The work continues to reduce pollutions to the air, water, noise and to reduce energy consumption and carbon emissions. This consists of the following:

(1) Continued improvement of the splitting of waste water flows at the source and modification of pipes for high/low concentrations to reduce the difficulty of waste water treatment.

(2) Continued the advocacy for trash classification and resource recycling.

(3) The measures in place at the factory for energy consumption and carbon reduction are the replacement of old heat curing ovens and the recycling/reuse of heat from air compressors.

(4) Continued to enhance the awareness among all factory personnel in environmental protection, safety and health. On-the-job training and education so that all personnel ensures good product quality for customers' satisfaction, plays a part in environmental protection, health and safety in the company for the 21st century.

A. Loss reduction is simpler and more important than earning profits.
B. Reduction of false alarms is more important than handing out compensations for occupational disasters.
C. Prevention is more important than rescue.
D. Family and health are more important than wealth, fame and status.
E. Quality, safety, health and environmental protection are equally important as production.
F. Resource utilization is more important than being buried at work.
G. Concepts are more important than techniques.

5. Labor relations

(I) Employee benefits, training & education, retirement system and implementation, agreements between employees and the employer and the protection of employees' rights

1. Employee benefits

The Company established Employee Welfare Committee on December 16, 1998. We also distribute to the welfare fund as required to support employee welfare matters. Travel tours were organized each year for employees even before the establishment of Employee Welfare Committee. These itineraries were vey popular with employees. All employees are covered by labor insurance and National Health Insurance. Saturdays, Sundays and national holidays are off from work, as stipulated by competent authority.

2. Training & education

All units may formulate annual training and education plans based on annual requirements and submit the plans to managers for approval and then to the training and education division for review, collation and sign-off. These plans serve as the basis for training and education of the year. After the completion of training, the training and education division should record the details of employees' training on Training & Education Management of the HR system, as the basis for employees' performance reviews and rewards.

3. Retirement system

In accordance with the rules prescribed in the Labor Standards Act, the Company has established its defined benefit scheme, applicable to all the service years of regular employees before the enactment of the Enforcement Rules of the Labor Pension Act on July 1, 2005 and the subsequent service years of the employees who opt for the Labor Standard Act program after the Enforcement Rules of the Labor Pension Act. Pension payouts to employees eligible for retirement are calculated according to service years and average wages for the six months prior to retirement. Two bases are granted for each full year of services up to 15 years and one basis is granted for each full year of services above 15 years. However, the number of accumulated bases is capped at 45. The Company contributes 6% of monthly wages to the dedicated account under the name "Supervisory Committee of Labor Retirement" with Bank of Taiwan.

4. Agreements between the employer and employees and measures to protect the rights of employees

The Company regularly convenes meetings for coordination with employees. The communication channels with employees and the maintenance of employees' right are normal.

(II) Losses as a result of labor disputes during the most recent year or as of the publication date of this annual report (including labor inspections and breaches of the Labor Standards Act, dates of punitive measures, official document numbers in relation to punitive measures, laws and regulations violated, details of regulatory violations and punitive measures). Please also disclose the estimated amount for the present and the future and responding measures. If a reasonable estimate cannot be reached, please explain the facts regarding the impossibility for reasonable estimates.

The Company has always emphasized employees' welfare and shares profits with employees. The relation with employees has been harmonious over the years, without major labor disputes.

6. Information and communication security management:

(I) Management framework for information and communication security risks, information and communication security policies, management programs and resources invested in information and communication security management: none

1. Management framework for information and communication security risks: Information Security Division under President is responsible for information security and related matters. Audit Office formulates relevant internal control procedures for management and conducts regular audits.
2. Information and communication security policies: (1) awareness and training in information security; (2) information system security management; (3) network security management; (4) system access control; (5) security management of information systems development and maintenance; (6) planning and management of business sustainability
3. Management program: To ensure information security, firewalls are deployed to block viruses before invasion and attacks of the Company's internal networks. At the users; end, Windows are constantly updated to repair Windows vulnerabilities and to prevent virus and hacker attacks through Window loopholes. Meanwhile, ESET Endpoint Antivirus for corporates is installed. The library of virus patterns is automatically updated to enhance protection against viruses.

(II) Losses due to material information and communication security events, possible effects and responding measures during the most recent year or as of the publication date of this annual report. If a reasonable estimate cannot be reached, please explain the facts regarding the impossibility for reasonable estimates.

VII. Important contracts: none.

Six. Financials

I. Summary Balance Sheets and Comprehensive Income Statements for the Most Recent Five Years

(I) Summary Balance Sheet－IFRS

1. Summary Balance Sheet - Consolidated

Unit: NT$1,000

Item \ Year		Financial data for the most recent five years (consolidated)					Financial data for the year and as of March 31, 2023
		2018	2019	2020	2021	2022	
Current asset		2,265,767	1,976,716	2,825,812	2,887,982	2,297,174	2,760,575
Property, plant and equipment		1,984,422	1,807,565	2,009,498	3,740,418	4,356,814	4,453,087
Intangible asset		4,116	3,121	2,467	13,184	9,980	9,086
Other assets		66,820	10,645	211,239	247,495	234,041	222,696
Total assets		4,419,200	3,921,264	5,049,016	6,889,079	6,898,009	7,445,444
Current liabilities	Before distribution	2,549,047	1,846,832	2,180,369	3,778,511	3,705,274	3,625,219
	After distribution	2,562,043	1,898,818	2,244,826	3,894,534	Undistributed	Undistributed
Non-current liabilities		248,351	29,581	239,583	305,957	664,854	1,476,624
Total liabilities	Before distribution	2,797,398	1,876,413	2,419,952	4,084,468	4,370,128	5,101,843
	After distribution	2,810,394	1,928,399	2,484,409	4,200,491	Undistributed	Undistributed
Equity attributable to owners of the parent		1,620,953	2,043,890	2,474,552	2,616,961	2,351,466	2,211,016
Share capital		1,299,645	1,299,645	1,289,145	1,160,230	1,133,540	1,133,540
Capital surplus		148,526	148,526	325,463	325,463	318,559	287,395
Retained earnings	Before distribution	206,228	742,699	1,027,297	1,325,938	1,042,546	926,209
	After distribution	193,232	690,713	962,840	1,209,915	Undistributed	Undistributed
Other equities		(33,446)	(146,980)	(167,353)	(194,670)	(143,179)	(136,128)
Treasury stocks		0	0	0	0	0	0
Non-controlling interest		849	961	154,512	187,650	176,415	132,585
Total Equity	Before distribution	1,621,802	2,044,851	2,629,064	2,804,611	2,527,881	2,343,601
	After distribution	1,608,806	1,992,865	2,564,607	2,688,588	Undistributed	Undistributed

Note 1: The Company started to adopt the International Financial Reporting Standards (IFRSs) in 2012. All the annual consolidated financial statements were audited by certified public accountants.

Note 2: There has been no asset revaluations for these years.

Note 3: Note 3: The 2022 deficit compensation proposal is not yet resolved by the shareholders' meeting.

2. Summary Balance Sheet - Parent Company Only

Unit: Amounts expressed in thousands of New Taiwan Dollars

Item \ Year		Financial data for the most recent five years (parent company only)				
		2018	2019	2020	2021	2022
Current asset		601,622	555,486	520,037	832,967	567,807
Property, plant and equipment		285,407	280,804	267,635	323,635	329,389
Intangible asset		4,116	3,121	2,467	1,563	915
Other assets		4,120	5,658	2 ,201,781	2,036,850	1,871,792
Total assets		2,139,759	2,505,382	2,991,920	3,195,015	2,769,903
Current liabilities	Before distribution	496,879	440,777	419,218	430,559	307,551
	After distribution	509,875	492,763	483,675	546,582	Undistributed
Non-current liabilities		21,927	20,715	98,150	147,495	110,886
Total liabilities	Before distribution	518,806	461,492	517,368	578,054	418,437
	After distribution	531,802	513,478	581,825	694,077	Undistributed
Equity attributable to owners of the parent		1,620,953	2,043,890	2,474,552	2,616,961	2,351,466
Share capital		1,299,645	1,299,645	1,289,145	1,160,230	1,133,540
Capital surplus		148,526	148,526	325,463	325,463	318,559
Retained earnings	Before distribution	206,228	742,699	1,027,297	1,325,938	1,042,546
	After distribution	193,232	690,713	962,840	1,209,915	Undistributed
Other equities		(33,446)	(146,980)	(167,353)	(194,670)	(143,179)
Treasury stocks		0	0	0	0	0
Non-controlling interest		—	—	—	—	—
Total Equity	Before distribution	1,620,953	2,043,890	2,474,552	2,616,961	2,351,466
	After distribution	1,607,957	1,991,904	2,410,095	2,500,938	Undistributed

Note 1: The Company started to adopt the International Financial Reporting Standards (IFRSs) in 2012. All the annual parent company only financial statements were audited by certified public accountants.

Note 2: There has been no asset revaluations for these years.

Note 3: The 2022 deficit compensation proposal is not yet resolved by the shareholders' meeting.

(II) Summary Comprehensive Income Statement - IFRS

1. Summary Comprehensive Income Statement - Consolidated

Unit: NT$1,000

Year / Item	Financial data for the most recent five years (consolidated)					Financial data for the year and as of March 31, 2023
	2018	2019	2020	2021	2022	
Operating income	3,998,712	3,046,243	3,267,428	3,699,293	3,068,065	508,130
Gross profit	506,294	525,335	665,543	804,588	425,661	(45,820)
Operating profit and loss	99,276	218,782	316,585	400,574	(113,237)	(134,415)
Non-operating income and expense	(156,986)	346,369	79,162	99,795	(69,221)	(14,973)
Profit before tax	(57,710)	565,151	395,747	500,369	(182,458)	(149,388)
Current period net income from continuing operations	(88,029)	545,557	345,825	386,984	(163,280)	(123,659)
Loss from discontinued operations	—	—	—	—	—	—
Net income (loss)	(88,029)	545,557	345,825	386,984	(163,280)	(123,659)
Other comprehensive income of the period (net of tax)	(20,509)	(109,512)	(21,844)	(30,183)	59,222	6,815
Total comprehensive income in the current period	(108,538)	436,045	323,981	356,801	(104,058)	(116,844)
Net income attributable to owners of the parent	(88,091)	545,412	345,226	364,608	(147,305)	(111,546)
Net income attributable to non-controlling interest	62	145	599	22,376	(15,975)	(12,113)
Total comprehensive income attributable to:	(108,600)	435,933	316,211	335,781	(91,593)	(104,507)
Total comprehensive income attributable to non-controlling interest	62	112	7,770	21,020	(12,465)	(12,337)
Earnings per share	(0.68)	4.20	2.67	2.88	(1.29)	(0.98)

Note 1: The Company started to adopt the International Financial Reporting Standards (IFRSs) in 2012. All the annual consolidated financial statements were audited by certified public accountants.
Note 2: The financial data of the first quarter of 2023 was reviewed by certified public accountants.
Note 3: Based on the weighted average number of shares outstanding during the year and adjusted retrospectively by adding the weighted average number of outstanding shares as a result of historical capitalization of earnings and capital surplus.

2. Summary Comprehensive Income Statement－Parent Company Only

Unit: NT$1,000

Year / Item	Financial data for the most recent five years (parent company only)				
	2018	2019	2020	2021	2022
Operating income	926,460	879,641	848,806	1,051,038	884,652
Gross profit	160,333	140,441	104,441	247,762	114,674
Operating profit and loss	78,241	54,483	14,761	145,148	19,449
Non-operating income and expense	(143,265)	504,165	430,426	313,446	(185,963)
Profit before tax	(65,024)	558,648	445,187	458,594	(166,514)
Current period net income from continuing operations	(88,091)	545,412	345,226	364,608	(147,305)
Loss from discontinued operations	－	－	－	－	－
Net income (loss)	(88,091)	545,412	345,226	364,608	(147,305)
Other comprehensive income of the period (net of tax)	(20,509)	(109,479)	(29,015)	(28,827)	55,712
Total comprehensive income in the current period	(108,600)	435,933	316,211	335,781	(91,593)
Earnings per share	(0.68)	4.20	2.67	2.88	(1.29)

Note 1: The Company started to adopt the International Financial Reporting Standards (IFRSs) in 2012. All the annual parent company only financial statements were audited by certified public accountants.

Note 2: Based on the weighted average number of shares outstanding during the year and adjusted retrospectively by adding the weighted average number of outstanding shares as a result of historical capitalization of earnings and capital surplus.

(V) Names of certified public accountants and audit opinions during the past five years

Year	Accounting firm	Certified Public Accountants	Opinion
2018	PwC Taiwan	Chen Hsien-Cheng; Wang Fang-Yu	Unqualified opinion
2019	PwC Taiwan	Chen Hsien-Cheng; Wang Fang-Yu	Unqualified opinion
2020	PwC Taiwan	Chen Hsien-Cheng; Wang Fang-Yu	Unqualified opinion
2021	PwC Taiwan	Chen Hsien-Cheng; Wang Fang-Yu	Unqualified opinion
2022	PwC Taiwan	Chen Hsien-Cheng; Wang Fang-Yu	Unqualified opinion

II. Financial Analysis for the Most Recent Five Years

(I) Financial analysis for the most recent five years－IFRS

1. Financial analysis for the most recent five years－consolidated

Unit: NT$1,000, %

Item	Year	Financial analysis for the most recent five years (consolidated)					Financial data for the year and as of March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Liabilities to assets ratio	63.30	47.85	47.93	59.29	63.35	68.54
	Capital employed as % of property, plant and equipment	94.24	114.76	142.75	83.16	73.28	85.79
Solvency %	Current ratio	88.89	107.03	129.60	76.43	62.00	76.15
	Quick ratio	77.99	94.09	114.01	63.37	53.86	66.03
	Interest coverage ratio	(0.26)	14.90	19.83	11.51	(1.41)	(5.78)
Operating performance	Receivables turnover (times)	2.70	2.43	2.69	2.82	2.57	2.05
	Average collection days	135	150	136	129	142	178
	Inventory turnover (times)	9.19	8.42	8.61	7.90	7.43	6.68
	Payables turnover (times)	6.58	5.42	5.68	6.03	5.63	4.94
	Days sales of inventory	40	43	42	46	49	55
	Turnover rate (times) of property, plant and equipment	2.04	1.61	1.71	1.29	0.76	0.46
	Asset turnover	0.89	0.73	0.73	0.62	0.45	0.28
Profitability	Return on assets (%)	(1.15)	13.86	8.09	7.12	(1.49)	(5.91)
	Return on equity (%)	(5.16)	29.76	14.80	14.24	(6.12)	(20.31)
	Ratio of net profit before tax to paid in capital (%)	(4.44)	43.49	30.70	43.13	(16.10)	(47.43)
	Net margin (%)	(2.20)	17.91	10.58	10.46	(5.32)	(24.34)
	Earnings per Share (NT$)	(0.68)	4.20	2.67	2.88	(1.29)	(0.98)
Cash flows	Operating cash flow ratio (%)	16.90	28.26	16.75	13.00	14.92	0.23
	Cash flow adequacy ratio (%)	99.08	97.65	102.37	78.84	64.94	－
	Cash flow reinvestment ratio (%)	6.95	11.08	5.76	7.14	7.01	－
Leverage	Operating leverage	10.84	4.59	3.44	3.20	(7.12)	－
	Financial leverage	1.86	1.23	1.07	1.13	0.60	－

Reasons for change in financial ratios during the most recent two years 1. Solvency: mainly the construction of the Nantung Plant in China resulted in the rapid increase in non-current assets such as property, plant and equipment. Furthermore, the increased borrowings and interest rate resulted in increased interest expenses. Therefore, all solvency ratios declined. 2. Profitability: the Russia-Ukraine War resulted in inflation, and unnecessary electionic consumptions were either decreased or deferred internationally, the demands to the industry decreased thereby, and prices of some of the Company's products were forced to be lowered. In addition, the pandemic in China resulted in delayed or lack of raw material supplies. Plus the inflation, all production and operating costs increased. Against the backdrop where the demands decreased, sales prices declined, while the production increased, among other negative factors, the gross margin decreased significantly. Furthermore, the investment in the Nantung Plant generated none of operating revenue during the trial operation. However, as the manpower and equipment was getting in place, the operating expenses increased significantly, resulting in significantly increased operating loss. Each profitability indicators showed negative figures. 3. Leverage: due to the decreased operating revenue, every production costs and operating expenses affected by inflation, and increased costs from the trial operation of the Nantung Plant, the operating loss was generated; In addition, the increased interest rate increased interest expenses as well, so the leverage declined.

2. Financial analysis for the most recent five years－unconsolidated

Unit: NT$1,000, %

Item	Year	Financial analysis for the most recent five years－unconsolidated				
		2018	2019	2020	2021	2022
Financial structure (%)	Liabilities to assets ratio	24.25	18.42	17.29	18.09	15.11
	Capital employed as % of property, plant and equipment	575.63	735.25	961.27	854.19	747.55
Solvency %	Current ratio	121.08	126.02	124.05	193.46	184.62
	Quick ratio	108.43	112.32	110.38	169.99	164.91
	Interest coverage ratio	(16.98)	173.32	147.59	215.00	(170.31)
Operating performance	Receivables turnover (times)	3.08	3.11	3.07	3.62	3.31
	Average collection days	118	117	119	101	110
	Inventory turnover (times)	11.67	11.13	11.76	9.55	8.77
	Payables turnover (times)	6.26	6.18	6.67	7.20	6.71
	Days sales of inventory	31	33	31	38	42
	Turnover rate (times) of property, plant and equipment	3.41	3.11	3.10	3.56	2.71
	Asset turnover	0.42	0.38	0.31	0.34	0.30
Profitability	Return on assets (%)	(3.85)	23.59	12.65	11.84	(4.91)
	Return on equity (%)	(5.16)	29.76	15.28	14.32	(5.93)
	Ratio of net profit before tax to paid in capital (%)	(5.00)	42.98	34.53	39.53	(14.69)
	Net margin (%)	(9.51)	62.00	40.67	34.69	(16.65)
	Earnings per Share (NT$)	(0.68)	4.20	2.67	2.88	(1.29)
Cash flows	Operating cash flow ratio (%)	23.94	24.07	13.56	37.08	51.54
	Cash flow adequacy ratio (%)	131.03	156.29	131.15	95.08	94.48
	Cash flow reinvestment ratio (%)	2.34	3.40	0.15	1.33	1.32
Leverage	Operating leverage	4.58	6.29	20.40	16.73	16.35
	Financial leverage	1.05	1.06	1.26	1.01	1.05

Reasons for change in financial ratios during the most recent two years (no analysis required if change is below 20%)

1. Solvency: mainly due to the loss of overseas investment, and recognized the loss from the financial assets at FVTPL, the non-operating loss was greater than the operating price, resulting in loss before tax. Therefore, the interest earned raito was negative.
2. Operating performance: due to the decreased demand to the industry, declined operating revenue, property, plant and equipment turnover decreased
2. Profitability: the Russia-Ukraine War resulted in inflation, and unnecessary electionic consumptions were either decreased or deferred internationally, the demands to the industry decreased thereby, and prices of some of the Company's products were forced to be lowered. The pandemic in China and the inflation, the gross margin decreased significantly. Furthermore, the investment in the Nantung Plant generated none of operating revenue during the trial operation. However, as the manpower and equipment was getting in place, the operating expenses increased significantly, resulting in significantly increased operating loss, the the loss from overseas investment, and the non-operating loss was greater than the operating profit. Each profitability indicators showed negative figures.
4. Cash flow: due to repayment of bank borrowings and the decreased profit from the core business resulted in decreased income tax payable and less current liabilities. Hence, the cash flow ratio increased. Additionally, more cash dividends were distributed this year, less balance left after the cash inflow from operating activities deducting distributed cash dividends, so the cash reinvestment ratio declined.
5. Leverage: the declined growth of operating revenue resulting in declined gross profits, so operating income decreased, and thus the operating leverage increased.

1. Financial structure

(1) Liabilities to assets ratio ＝Total liabilities／total assets

(2) Capital employed as % of property, plant and equipment ＝（equity ＋non-current liabilities）／ property, plant and equipment

2. Solvency

(1) Current ratio ＝ Current assets／current liabilities

(2) Quick ratio＝(Current assets－inventory－prepayments)／current liabilities

(3) Interest coverage ratio ＝Earnings before interest and taxes／interest expenses

3. Operating performance

(1) Receivables (including accounts receivable and notes receivable resulting from business) turnover ＝ net sales ／average receivables (including accounts receivable and notes receivable resulting from business)

(2) Average collection days ＝365／receivables turnover

(3) Inventory turnover ＝Cost of goods sold ／average inventory

(4) Payables (including accounts payable and notes payable resulting from business) turnover = cost of goods sold／average payables (including accounts payable and notes payable resulting from business）

(5) Days sales of inventory＝365／Inventory turnover

(6) Property, plant and equipment turnover ＝ net sales／average property, plant and equipment

(7) Asset turnover ＝net sales／average assets

4. Profitability

(1) Return on assets ＝〔net income＋interest expenses ×（１－tax rate）〕／average assets

(2) Return on equity ＝net income／average equity

(3) Net margin＝Net income／net sales

(4) Earnings per share ＝（net income attributable to owners of the parent －preference dividends）／weighted average number of issued shares (Note 4)

5. Cash flows

(1) Operating cash flow ratio＝Cash flows from operating activities／current liabilities

(2) Cash flow adequacy ratio ＝Cash flows from operating activities during the most recent five years / (capital expenditure + increase in inventory + cash dividends) during the most recent five years

(3) Cash flow reinvestment ratio＝(Cash flows from operating activities－cash dividends）／（property, plant and equipment (gross)＋ long-term investments＋ other non-current assets＋working capital)

6. Leverage

(1) Operating leverage＝（Net sales － variable operating costs and expenses）／operating profits

(2) Financial leverage ＝Operating profits ／(operating profits－interest expenses）

Note 1: Please pay attention to the following in the calculation of earnings per share:

1. Based on the weighted average number of ordinary shares, not the number of issued shares at the year end of the year
2. The weighted average number of shares is calculated by taking into account the number of new shares issued for equity raise and the number of shares repurchased, as well as the days outstanding of these shares.
3. Retroactive adjustments are required for the calculation of earnings per share of prior years or interim periods by adding the number of shares issued via capitalization of earnings or capital surplus, without considering the days outstanding.
4. If the preference shares are cumulative but not convertible, the preference dividends of the year (issued or not) should be deducted from net income or added back to net losses. If the preference shares are not cumulative, preference dividends should be deducted from net income (if any). No adjustment is required in case of losses.

Note 2: Please pay attention to the following in the analysis of cash flows:

1. Cash flows from operating activities refer to net cash flows from operating activities in the statement of cash flows.
2. Capital expenditure refers to cash outflows for capital investments each year.
3. Increase in inventory is only included when the balance at the end of the period is greater than that at the beginning of the period. If inventory is reduced at the year end, this value is considered zero.
4. Cash dividends include cash dividends to ordinary shares and cash dividends to preference shares.
5. Property, plant and equipment (gross) refers to the total amount of property, plant and equipment before accumulated depreciation.

Note 3: The issuer should classify each operating cost and expense as fixed or as variable depending on its nature. It is necessary to ensure reasonableness or consistency if estimates or subjective judgments are involved.

Note 4: If the company shares have no face value or the face value is not NT$10, the paid-in capital related ratios mentioned above shall be based on equity attributable to owners of the parent on the balance sheet.

III. Supervisors' or Audit Committee's review report on the latest annual financial statements

Plotech Co. Ltd.
Audit Committee's review report

The Board of Directors has prepared the 2022 Business Report, 2021 financial statements, and the earnings distribution proposal, among which the financial statements were audited byPwC Taiwan, by whom an audit report was issued. The financial statements together with the business report, deficit compensation proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this review report for your review.

To

The 2023 Regular Shareholders' Meeting of Plotech Co. Ltd.

Convener of the Audit Committee: Chen,Yi-Liang

March 28, 2023

IV. Financial statements and auditor's report for the most recent year: Please refer to P88~P157.

V. Audited unconsolidated financial statements for the most recent year: Please refer to P158~P212.

VI. If the Company and its affiliates experienced financial difficulties during the most recent year and as of the publication of this annual report, please describe the impact on the Company's financial status:

The Company and its affiliates did not experience financial difficulties during the most recent year and as of the publication of this annual report.

Seven. Review and Analysis of Financial Status and Financial Performance and Risks

I. Review and Analysis of Financial Status

Main reasons for material changes to assets, liabilities and equity during the most recent two years and impacts of such changes:

Year / Item	2022	2021	Difference	
			Amount	%
Current asset	2,297,174	2,887,982	(590,808)	(20.46)
Fixed asset	4,356,814	3,740,418	616,396	16.48
Other assets	9,980	13,184	(3,204)	(24.3)
Intangible assets	234,041	247,495	(13,454)	(5.44)
Total assets	6,898,009	6,889,079	8,930	0.13
Current liabilities	3,705,274	3,778,511	(73,237)	(1.94)
Total liabilities	4,370,128	4,084,468	285,660	6.99
Share capital	1,133,540	1,160,230	(26,690)	(2.30)
Capital surplus	318,559	325,463	(6,904)	(2.12)
Retained earnings	1,042,546	1,325,938	(283,392)	(21.37)
Shareholders' equity	2,527,881	2,804,611	(276,730)	(9.87)

Variation analysis

Current assets: due to decreased operating revenue, the inventory and accounts receivable decreased.

Intangible assets: mainly due to amortized computer software utilization.

Retained earnings: mainly due to the net loss after tax for the year, as well as the distribution of cash divdends, resulting in decreased retained earnings.

II. Review and Analysis of Financial Performance

Unit: Amounts expressed in thousands of New Taiwan Dollars

Item \ Year	2022	2021	Increase (decrease) in amount	Change (%)	Variation analysis
Net revenues	3,068,065	3,699,293	(631,228)	(17.06)	—
Operating costs	2,642,404	2,894,705	(252,301)	(8.72)	—
Gross profit	425,661	804,588	(378,927)	(47.10)	(1)
Operating expenses	538,898	404,014	134,884	33.39	(2)
Operating profit	(113,237)	400,574	(513,811)	(128.27)	(3)
Non-operating income and expense	(69,221)	99,795	(169,016)	(169.36)	(4)
Profit before tax of continuing operations	(182,458)	500,369	(682,827)	(136.46)	(5)
Income tax expense	19,178	(113,385)	132,563	(116.91)	(6)
Net income of continuing operations	(163,280)	386,984	(550,264)	(142.19)	(5)

1: Percentage of change and variation analysis

(1) Mainly due to declined operating revenues and the increased purchase costs from inflation, resulting in declined gross profits.

(2) Mainly because the new Nantung Plant generated expenses during the trial operation.

(3) Due to declined gross profits and the significantly increased operating expenses from the trial operation of the Nantung Plant, the operation generated loss.

(4) Due to the exchange loss for the period, and recognized loss from financial assets at FVTPL; additionally, the increased borrowings and increased interest rates resulted in increased interest expenses, the non-operating net expenses were generated.

(5) The declined operating revenue resulted in declined gross profits, and increased operating expenses from the trial operation of the Nantung Plant resulted in operating loss. Plus the increased non-operating loss, both before and after tax are loss.

(6) Due to the loss before tax of the period, there is income tax profit.

2: Main reasons for changes of business scope: not applicable

3: Expected sales and volumes for the next year, basis for the expectation, and main influencing factors of the company’s continued positive or negative growth:

(1) Expected sales volume in the coming year: 320,000 sq feet from Taiwan Plant.

(2) The sales mix for 2023 is mainly the eight level PCB and other high level PCB as well as semiconductor boards mainly aiming to increasing profits. As the electronic products are getting compacter, PCBs with smaller size are more difficult to make, it is expected the sales volume will not changed much from 2022.

III. Review and analysis of cash flows

(I) Analysis on changes of cash flows during the year

Item	2022	2021	Change amount
Operating activities	552,747	491,121	61,626
Investing activities	(1,061,944)	(1,098,800)	36,856
Financing activities	256,374	639,254	(382,880)

Operating activities and investing activities: no explanation needed as not much changed.

Financing activities: the high equipment payments are paid with increased bank borrowings and the expense activities decreased, the cash inflow decreased.

(II) Liquidity analysis for the year:

Item	December 31, 2022	December 31, 2021	Increase (decrease) %
Cash flow ratio (%)	14.92	13.00	14.77
Cash flow adequacy ratio (%)	64.72	78.84	(17.91)
Cash reinvestment ratio (%)	6.96	7.14	(2.52)

Explanation of percentage of increase or decrease:
Each cash ratio changed not much for the period, so no explanation is needed.

During 2021 and 2022, the COVID-19 pandemic resulted in increased inventory in the manufacturing industry to cope with inconvenience of transportation and increased transportation costs. However, the Russian Ukraine War and the inflation, the consumer end stayed conservative. In the contrast, the inventory of the manufacturing industry was too high and the purchase and production of finished products were decreased. Therefore, the economic recovery in 2023 may only show until the second quarter. As the Nantung Plant is getting more involved in the production, it is expected the cash flow from the operating activities for the whole year. In addition, the equipment in Nantung Plant in China are getting in place, the equipment expenses are still incurring, but the cash outflow from investing activities for the equipment is likely to decelerate. Moreover, due to the equipment expenses, the financing activities will still generate net cash inflow.

IV. Analysis on the impact of significant capital expenditure during the most recent year on financials and businesses

(I) Utilization of major capital expenditures and sources of capital

Unit: Amounts expressed in thousands of New Taiwan Dollars

Project	Actual or expected sources of capital	Actual or expected date of completion	Amount required	Actual or expected use of capital			
				2021	2022	2023	2024
Production equipment	Internally funded	January 2021 to December 2024	248,018	84,805	63,213	50,000	50,000

(II) Expected increase in sales and gross profits: Routine replacement of old equipment to maintain existing capacities. No significant increase in sales expected.

V. Equity investment policy during the most recent year; main reasons for profits or losses; improvement plans and investment projects for the next year

Explanation / Item	Amount	Policy	Main reasons for profits or losses	Improvement plans	Other investment plans for the future
PLOTECH(BVI) CO.,LTD	—	—	Loss from reinvestment in China	Saving costs, improving quality and lowering scrapes	—

VI. Analysis and assessment of risks for the most recent year and as of the publication of this annual report should cover the following items:

(I) Impact of changes in interest rates and exchange rates and inflation on the Company’s profit or loss, and the countermeasures going forward:

1. Access to lower cost of capital from the capital market based on the timing of funding requirements
2. Offsetting of assets and liabilities to minimize the position denominated in the U.S. dollars exposed to exchange rate risks.
3. Inflation impact on profit or loss: keeping a close eye on the price fluctuations of different raw materials; purchase of supplies for mid-term and long-term when prices reach a bottom.

(II) Policies, main reasons for profit or loss and countermeasures going forward regarding highly risky and highly leveraged investments, lending to others, endorsements/guarantees and derivatives transactions

The Company did not engage in highly risky or highly-leveraged investments or transactions during the most recent year, other than providing endorsements/guarantees for subsidiaries and sub-subsidiaries. However, the balance of such endorsements/guarantees was within the Company's limit. Any transaction of derivatives will not be for trading purposes but for hedging of exchange rate risks in relation to credit claims in foreign currencies. Meanwhile, the Company's hedging policy aims to eliminate most of the market risks and price risks. Hence, there was no adverse impact on profits of the Company.

(III) R&D plans and expected R&D expenses

PCBs are the essential of the electronics industry. As portable electronics have become one of the mainstream products over recent years, PCBs are becoming lighter, thinner and more compact. Therefore, buried holes, thin conductors, slim and multiple layers are the trend. During the most recent year, the Company has been developing the technical capabilities to keep up with the trend. However, the R&D and the investment are spread over multiple years, considering the market adoption and business development effectiveness. Our efforts have increased the yield of existing products, boosted the customers' satisfaction, gained traction in new markets, enhanced revenues and reduced the mix of low-margin profits. This has improved the gross margin and achieved the profitability target. Electronic products evolve rapidly and constant enhancement of production capabilities is required. It is necessary not only to better management and technical skills and but also to have appropriate automated equipment. Hence, the Company aims to allocate approximately 10% of revenues on R&D and equipment investments, in order to achieve sustainable business by improving manufacturing processes and long-term market competitiveness.

(IV) Impact of important policies and law changes domestic and overseas on the Company's financials and businesses and the countermeasures: none

(V) Impact of technological changes (including information and communication security risks) on the Company's financials and businesses and the countermeasures: none

(VI) Impact of corporate image changes on the Company's crisis management and the countermeasures: none

(VII) Expected benefits and potential risks of acquisitions: none

(VII) Expected benefits and potential risks of acquisitions: none

(IX) Risks of sale/purchase concentration: none

(X) Impact and risks of significant ownership transfers or changes among directors, supervisors or major shareholders with at least a 10% stake: none

(XI) Impact and risks of change of control: none

(XII) Please describe the major litigations, non-litigations or administrative disputes that the Company, the Company's directors, supervisors, President, de facto responsible persons, shareholders with at least a 10% stake, and subordinate companies are involved, provided that the judgments have been made or the proceedings are still ongoing and the results may have significant influence on shareholders' equity or securities prices. It is necessary to disclose the facts in contention, the underlying dollar amount, the start date of the litigation, main parties concerned and processing as of the publication of this annual report: none

(XIII) Other important risks and countermeasures: none

VII. Other important matters: none

Eight. Special Notes

Data on affiliated companies: Please refer to P213~P216.

Private placement of marketable securities during the most recent year and as of the publication of this annual report: It is necessary to disclose the date and the amount approved by the shareholders' meeting or the board meeting; the basis and the reasonableness of pricing; selection of specific parties; the necessity of the private placement; subscribers, qualifications, amounts, relationships with the Company, involvement in the Company's operations; subscribed (or conversion) prices, and difference from the reference price; impact of the private placement on shareholders' equity; use of proceeds from issuance of securities up to date; utilization of the funds raised from the private placement; project progress and benefits: none

Any subsidiary's holding or disposal of the Company's shares during the most recent year and as of the publication of this annual report: none

Other supplementary information: none

Nine. Matters that materially affect shareholders' equity or prices of the Company's securities as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act

I. Matters that materially affect shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: none

Plotech Technology Co., Ltd.

Statement on Consolidated Financial Statements

For the financial year of 2022 (from January 1 to December 31, 2022), the affiliated enterprises that should be included in the Company's consolidated financial statements are the same according to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and according to IFRS 10 Consolidated Financial Statements for the parent company and subsidiaries. Meanwhile, the information required for disclosure on affiliated enterprises in the consolidated financial statements that include affiliated enterprises is disclosed in the aforesaid consolidated financial statements that include subsidiaries. Hence, the consolidated financial statements that include affiliated enterprises will not be prepared.

Declared by

Company name: Plotech Technology Co., Ltd.

Responsible Person: Lee Chi-Liang

March 28, 2023

Independent Auditors' Report

(112) Financial-Review-Report No. 22004663

To Plotech Technology Co., Ltd.

Audit opinions

We have audited the accompanying consolidated balance sheet of Plotech Technology Co., Ltd. and its subsidiaries ("Plotech Technology Group") as of December 31, 2022 and 2021, consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated statement of cashflows from January 1 to December 31, 2022 and 2021 and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations and SIC Interpretations endorsed and issued by the Financial Supervisory Commission and present fairly, in all material respects, the consolidated financial position of Plotech Technology Group as of December 31, 2022 and 2021 and its consolidated financial performance and unconsolidated cash flows from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements. The auditors of the firm, subject to the independence regulations, have maintained independence from Plotech Technology Group in accordance with the Code of Professional Ethics for certified public accountants in the R.O.C. and performed other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters, in our professional judgment, most significance in our audit of the consolidated financial statements of Plotech Technology Group for 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Plotech Technology Group for 2022 are stated as follows:

Inventory valuation

Explanations

Please refer to Note 4 (13) to the consolidated financial statements for the accounting policy on inventory valuation and to Note 5 (2) for the accounting estimates for inventory valuation and to uncertainties with assumptions. Please refer to Note 6 (6) to the consolidated financial statements for explanations on accounting items of inventory.The inventory and the allowance for inventory write-down as of December 31, 2022 were NT$318,706 thousand and NT$52,927 thousand, respectively.

Plotech Technology Group manufactures and markets printed circuit boards and related products. Due to rapid evolution of technologies over recent years, oversupply may occur in a down cycle.This combined with fierce market competition causes rapid price changes and results in high risks of inventory write-downs or obsolescence.Plotech Technology Groupmeasures inventory at the lower of cost or net realizable value. Losses on inventory over a certain age and individually identified as obsolete are recognized according to net realizable value. Given the significant influence of inventory valuation on financial statements, inventory valuation was listed as one of the most important audit matters.

Audit procedures

We have performed the following procedures regarding the certain aspects of the aforesaid key audit matters:

1. Understanding of inventory management flows, examination of annual inventory inspection plans and involvement in annual inventory inspections, to assess the management's effectiveness in identifying and the management of obsolete inventory.

2. Validation of the appropriateness of the logics behind the inventory age system for valuation, to ensure the consistency between reported information and the policies.
3. Testing of the carrying amount of the inventory at the end of the period, random inspections and confirmation of the selling prices and sale expense ratios and the accuracy of net realizable values.

Existence of sales

Explanations

Please refer to Notes 4 (26) of the consolidated financial statements for the accounting policy on revenue recognition. The revenue in 2022 was NT$3,068,065 thousand. Please refer to Note 6 (19) of the consolidated financial statements for accounting entries of revenues.

Plotech Technology Group manufactures and markets printed circuit boards and related products. Most customers are well-known companies with long-term and stable cooperation. Due to the fierce industry competition, Plotech Technology Group continues to develop clientele and expand market shares. The top ten customers account for a significant percentage of total sales.Hence, the existence of sales to the top ten customers is highly influential to the consolidated financial statements of Plotech Technology Group. Hence, the existence of sales was listed as one of the most important audit matters.

Audit procedures

We have performed the following procedures regarding the certain aspects of the aforesaid key audit matters:

1. Understanding and testing of the credit review procedures with major transaction counterparties; confirmation of appropriate approvals for the addition of major transaction counterparties; learning about and assessment of the new top ten customers; and review of relevant industry information.
2. Obtaining and spot checking of sale details and transaction vouchers with top ten customers.
3. Obtaining and spot checking of payment collection details and transaction vouchers with top ten customers.
4. Issuing letters to confirm accounts receivable from top ten new customers.

Other Matters - Unconsolidated Financial Statements

Plotech Technology Co., Ltd. has prepared the unconsolidated financial statements for 2022 and 2021, to which we have also issued an independent auditor's report with unqualified opinion and provided for reference.

Responsibilities of Management Level and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations and SIC Interpretations endorsed and issued by the Financial Supervisory Commission and for the maintenance of internal control necessary to ensure the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing Plotech Group's ability to continue as a going concern, disclosing relevant matters related and using the going concern basis of accounting unless management either intends to liquidate Plotech Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee), are responsible for overseeing Plotech Technology Group's financial reporting workflow.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives in the audit of consolidated financial statements are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance. However, there is no guarantee that an audit conducted in accordance with the auditing standards in the R.O.C. will always detect a material misstatement in consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual or the aggregate amount could be reasonably expected to influence the economic decisions by users of consolidated financial statements.

As part of an audit in accordance with the auditing standards in the R.O.C., we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error; design and adopt appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control of Plotech Technology Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting according to the

audit evidence obtained and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Plotech Technology Group to continue as a going concern. If we believe that such events or circumstances come with a material uncertainty, relevant disclosure of the consolidated financial statements must be provided in our audit report to allow users of consolidated financial statements to be aware of such events or circumstances or to modify our opinion if such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Plotech Technology Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the unconsolidated financial statements represent the underlying transactions and events fairly and appropriately.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group in order to express an opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determined those matters of most significant in the audit of the 2022 consolidated financial statements of Plotech Technology Group are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chen Hsien-Cheng
Certified Public Accountant
Wang Fang-Yu

Financial Supervisory Commission
Approval Document: Jin-Guan-Zheng-Shen No. 1060025060
Jin-Guan-Zheng-Shen No.1030027246
March 28, 2023

Plotech Technology Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Asset	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current asset					
1100	Cash and cash equivalents	6 (1)	$ 650,831	9	$ 899,983	13
1110	Financial assets at fair value through profit or loss - current	6 (2) and 12 (3)	111	-	103	-
1136	Financial assets measured at amortized cost - current	6 (3) and 8	230,325	3	220,632	3
1150	Notes receivable - net	6 (4)	55,483	1	13,786	-
1170	Accounts receivable - net	6 (4)	1,021,316	15	1,228,337	18
1200	Other receivables		9,949	-	5,919	-
1220	Deferred tax assets during the period		935	-	9,742	-
130X	Inventories	6 (6)	265,779	4	353,539	5
1410	Prepayments		35,649	1	140,081	2
1470	Other current assets	8	26,796	-	15,860	1
11XX	**Total current assets**		2,297,174	33	2,887,982	42
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6 (2)	55,050	1	114,450	2
1600	Property, Plant and Equipment	6 (7) and 8	4,356,814	63	3,740,418	54
1755	Right-of-use asset	6 (8)	31,094	1	29,192	-
1780	Intangible asset		9,980	-	13,184	-
1840	Deferred tax assets	6 (26)	55,038	1	55,069	1
1900	Other non-current assets	6 (10) and 8	92,859	1	48,784	1
15XX	**Total non-current assets**		4,600,835	67	4,001,097	58
1XXX	**Total assets**		$ 6,898,009	100	$ 6,889,079	100

(continued on next page)

Plotech Technology Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Liabilities and Equity	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2100	Short-term borrowings	6 (11)	$ 1,396,594	20	$ 1,595,854	23
2130	Lease liabilities - current	6 (19)	14,984	-	4,310	-
2150	Notes payable		13,581	-	40,010	1
2170	Accounts payable		457,596	7	428,014	6
2200	Other payables	6 (12)	1,451,596	21	1,597,098	23
2230	Current tax liabilities	6 (26)	964	-	45,258	1
2280	Lease liabilities - Current	6 (8)	2,895	-	2,415	-
2320	Long-term debts due within one year or within one operating cycle	6 (13)	364,738	6	64,477	1
2399	Other current liabilities - others		2,326	-	1,075	-
21XX	**Total current liabilities**		3,705,274	54	3,778,511	55
	Non-current liabilities					
2540	Long-term borrowings	6 (13)	543,161	8	146,023	2
2570	Deferred tax liabilities	6 (26)	88,034	1	119,820	2
2580	Lease liabilities - Non-current	6 (8)	3,644	-	1,707	-
2600	Other non-current liabilities	6 (14)	30,015	-	38,407	-
25XX	**Total non-current liabilities**		664,854	9	305,957	4
2XXX	**Total Liabilities**		4,370,128	63	4,084,468	59
	Equity attributable to owners of the company					
	Share capital	6 (16)				
3110	Common share capital		1,133,540	16	1,160,230	17
	Capital surplus	6 (17)				
3200	Capital surplus		318,559	5	325,463	5
	Retained earnings	6 (18)				
3310	Legal reserve		146,087	2	109,777	2
3320	Special reserve		194,670	3	167,353	2
3350	Undistributed earnings		701,789	10	1,048,808	15
	Other equities					
3400	Other equities		(143,179)	(2)	(194,670)	(3)
31XX	**Equity attributable to owners of the parent**		2,351,466	34	2,616,961	38
36XX	**Non-controlling interest**		176,415	3	187,650	3
3XXX	**Total equity**		2,527,881	37	2,804,611	41
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant Events	11				
3X2X	**Total liabilities and equities**		$ 6,898,009	100	$ 6,889,079	100

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Chairman: Lee Chi-Liang　　Manager: Houng Tsung-I　　Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars
(Earnings (loss) per share in NT$)

	Item	Notes	2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income (net)					
8311	Remeasurement of the defined benefit plan	6 (14)	$ 5,277	-	($ 1,888)	-
8349	Income taxes related to the items not re-classified	6 (26)	(1,056)	-	378	-
8310	Items not reclassified subsequently to profit or loss		4,221	-	(1,510)	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		55,001	2	(28,673)	(1)
8360	Items that may be reclassified subsequently to profit or loss		55,001	2	(28,673)	(1)
8300	**Other comprehensive income (net)**		$ 59,222	2	($ 30,183)	(1)
8500	**Total comprehensive income in the current period**		($ 104,058)	(3)	$ 356,801	10
	Net (loss) profit attributable to:					
8610	Owners of the parent		($ 147,305)	(5)	$ 364,608	11
8620	Non-controlling interest		(15,975)	-	22,376	-
			($ 163,280)	(5)	$ 386,984	11
	Total comprehensive income attributable to:					
8710	Owners of the parent		($ 91,593)	(3)	$ 335,781	9
8720	Non-controlling interest		(12,465)	-	21,020	1
			($ 104,058)	(3)	$ 356,801	10
	Basic earnings (loss) per share	6 (27)				
9750	Total basic earnings (loss) per share		($ 1.29)		$ 2.88	
	Diluted earnings (loss) per share	6 (27)				
9850	Total diluted earnings (loss) per share		($ 1.29)		$ 2.87	

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Chairman: Lee Chi-Liang   Manager: Houng Tsung-I   Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

		Equity attributable to owners of the company											
			Capital surplus			Retained earnings							
	Notes	Common share capital	Capital surplus - issuance Premium	Capital surplus - transaction of treasury shares	Capital surplus - change in ownership of subsidiaries	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Treasury stocks	Total	Non-controlling interest	Total Equity
2021													
Balance as of January 1, 2021		$ 1,289,145	$ 139,438	$ 3,696	$ 182,329	$ 76,119	$ 157,505	$ 793,673	($ 167,353)	$ -	$ 2,474,552	$ 154,512	$ 2,629,064
Current period net profit		-	-	-	-	-	-	364,608	-	-	364,608	22,376	386,984
Other comprehensive income for the period		-	-	-	-	-	-	(1,510)	(27,317)	-	(28,827)	(1,356)	(30,183)
Total comprehensive income in the current period		-	-	-	-	-	-	363,098	(27,317)	-	335,781	21,020	356,801
Earning appropriation and distribution	6 (18)												
Recognition of legal reserve		-	-	-	-	33,658	-	(33,658)	-	-	-	-	-
Recognition of special reserve		-	-	-	-	-	9,848	(9,848)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(64,457)	-	-	(64,457)	-	(64,457)
Capital reduction	6 (16)	(128,915)	-	-	-	-	-	-	-	-	(128,915)	-	(128,915)
Remuneration cost of the subsidiary's issue of new restricted shares to employees	6 (15)	-	-	-	-	-	-	-	-	-	-	12,118	12,118
Balance as of December 31, 2021		$ 1,160,230	$ 139,438	$ 3,696	$ 182,329	$ 109,777	$ 167,353	$ 1,048,808	($ 194,670)	$ -	$ 2,616,961	$ 187,650	$ 2,804,611
2022													
Balance as of January 1, 2022		$ 1,160,230	$ 139,438	$ 3,696	$ 182,329	$ 109,777	$ 167,353	$ 1,048,808	($ 194,670)	$ -	$ 2,616,961	$ 187,650	$ 2,804,611
Net loss for the period		-	-	-	-	-	-	(147,305)	-	-	(147,305)	(15,975)	(163,280)
Other comprehensive income for the period		-	-	-	-	-	-	4,221	51,491	-	55,712	3,510	59,222
Total comprehensive income in the current period		-	-	-	-	-	-	(143,084)	51,491	-	(91,593)	(12,465)	(104,058)
Earning appropriation and distribution	6 (18)												
Recognition of legal reserve		-	-	-	-	36,310	-	(36,310)	-	-	-	-	-
Recognition of special reserve		-	-	-	-	-	27,317	(27,317)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(116,023)	-	-	(116,023)	-	(116,023)
Remuneration cost of the subsidiary's issue of new restricted shares to employees	6 (15)	-	-	-	-	-	-	-	-	-	-	1,230	1,230
Share repurchased	6 (16)	-	-	-	-	-	-	-	-	(57,879)	(57,879)	-	(57,879)
Cancelation of treasury shares	6 (16)	(26,690)	(3,208)	(3,696)	-	-	-	(24,285)	-	57,879	-	-	-
Balance as of December 31, 2022		$ 1,133,540	$ 136,230	$ -	$ 182,329	$ 146,087	$ 194,670	$ 701,789	($ 143,179)	$ -	$ 2,351,466	$ 176,415	$ 2,527,881

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Chairman: Lee Chi-Liang　　Manager: Houng Tsung-I　　Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	January 1 to December 31, 2022	January 1 to December 31, 2021
Cash flows from operating activities			
Net income (loss) before tax for the period		($ 182,458)	$ 500,369
Adjustments			
Income/expenses items			
depreciation expense	6 (7) (8) (24)	276,435	260,927
Amortization	6 (24)	15,700	12,399
Expected credit impairment losses	12 (2)	28,898	4,056
Net loss (gain) from financial assets at fair value through profit or loss	6 (2) (22)	59,392	(38,244)
Interest expenses	6 (23)	75,681	47,599
Interest income	6 (20)	(13,831)	(14,825)
Losses on disposal of property, plant and equipment	6 (22)	14	3,468
Remuneration cost of share-based compensation	6 (15)	1,230	12,118
Net loss (gain) on foreign exchange		63,089	(12,675)
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Notes receivable		(41,697)	3,519
Trade receivable		178,123	86,978
Other receivables		(3,743)	10,046
Inventories		87,760	(38,644)
Prepayments		104,432	(115,104)
Net change in liabilities related to operating activities			
Contract liabilities		10,674	924
Notes payable		(26,429)	36,277
Accounts payable		29,582	(60,934)
Other payables		359	(142,901)
Advance receipts		1,251	(969)
Accrued pension liabilities		(1,714)	(1,979)
Cash provided by operating activities		662,748	552,405
Interest received		13,544	15,033
Interest paid		(75,242)	(46,856)
Income tax returned		9,742	484
Income tax paid		(58,045)	(29,945)
Net cash inflow from operating activities		552,747	491,121

(continued on next page)

Plotech Technology Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	January 1 to December 31, 2022	January 1 to December 31, 2021
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment	6 (28)	($ 1,009,783)	($ 1,076,318)
Proceeds from disposal of property, plant and equipment		24,435	6,560
(Increase) decrease in financial assets measured at amortized cost		(9,693)	24,118
Increase in refundable deposits		(45,400)	(4,790)
Increase in intangible asset		(184)	(11,701)
Increase in other current assets		(10,936)	(15,856)
Increase in other non-current assets		(10,383)	(20,813)
Net cash outflow from investing activities		(1,061,944)	(1,098,800)
Cash flows from financing activities			
Proceeds from short-term borrowings	6 (29)	2,031,521	2,351,644
Repayment of short-term borrowings	6 (29)	(2,280,302)	(1,598,008)
Proceeds from long-term borrowings	6 (29)	871,205	248,412
Repayments of long-term borrowings	6 (29)	(187,374)	(166,983)
Increase (decrease) in guarantee deposits received	6 (29)	(864)	1,719
Repaid principal of lease liabilities	6 (29)	(3,910)	(4,158)
Issue of cash dividends	6 (18)	(116,023)	(64,457)
Capital reduction	6 (16)	-	(128,915)
Share repurchases	6 (16)	(57,879)	-
Net cash inflow from financing activities		256,374	639,254
Effect of exchange rate changes on cash and cash equivalents		3,671	(19,542)
Increase (decrease) in cash and cash equivalents during the period		(249,152)	12,033
Cash and cash equivalents at the beginning of the year		899,983	887,950
Cash and cash equivalents at the end of the year		$ 650,831	$ 899,983

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Chairman: Lee Chi-Liang　　Manager: Houng Tsung-I　　Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd. and subsidiaries

Notes to Consolidated Financial Statements

2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

Company History

(I) Plotech Technology Co., Ltd.: (“the Company”) was incorporated in the R.O.C. The main business of the Company and its subsidiaries is the manufacturing, processing and sale of printed circuit boards and electronic components and the design of films and printed circuit boards.

(II) The Company’s shares began trading on the Taipei Exchange since September 2000 and on the Taiwan Stock Exchange after October 2003.

Approval Date and Procedures of Financial Statements

These consolidated financial statements were approved and issued by the Board of Directors on March 28, 2023.

Applicability of New Standards, Amendments and Interpretations

(I) Impact from adoption of new and amended IFRS standards endorsed by the Financial Supervisory Commission (“FSC”)

The table below shows the new, revised or amended IFRS standards and interpretations endorsed by the FSC and applicable in 2022:

New Amended and Revised Standards and Interpretations	Effective dates announced by International Accounting Standards Board (IASB)
Amendments to IFRS 3: Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 16: Property, plant and equipment: Proceeds before intended use	January 1, 2022
Amendments to IAS 37 “Onerous Contract - - Cost of Fulfilling a Contract”	January 1, 2022
Improvements of 2018-2020 cycles	January 1, 2022

According to the Group’s assessment, the aforesaid standards and interpretations do not have significant influence on the Group’s financial position or financial performance.

(II) Effects of the new and amended International Financial Reporting Standards (IFRSs) not yet endorsed by Financial Supervisory Commission (FSC)

The table below shows the new, revised or amended IFRS standards and interpretations endorsed by the FSC and applicable in 2023.

New Amended and Revised Standards and Interpretations	Effective dates announced by International Accounting Standards Board (IASB)
Amendments to IAS 1: Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8: Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

According to the Group's assessment, the aforesaid standards and interpretations do not have significant influence on the Group's financial position or financial performance.

(III) Impact of the International Financial Reporting Standards (IFRSs) announced by International Accounting Standards Board (IASB) but not yet endorsed by the FSC:

The table below summarizes the new, amended and revised International Financial Reporting Standards (IFRSs) and interpretations announced by International Accounting Standards Board (IASB) but not yet endorsed by the FSC:

New Amended and Revised Standards and Interpretations	Effective dates announced by International Accounting Standards Board (IASB)
Amendments to IFRS 10 and IAS 28 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by International Accounting Standards Board (IASB)
Amendment to IFRS No. 16 "Lease Liabilities under Sale and Leaseback"	January 1, 2024
IFRS 17: Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9: Comparative Information	January 1, 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 1, 2024

According to the Group's assessment, the aforesaid standards and interpretations do not have significant influence on the Group's financial position or financial performance.

Summary of Significant Accounting Polices

The primary accounting policies adopted for the preparation of these consolidated financial statements are as follows: Unless otherwise specified, these policies are applied consistently in all reporting periods.

(I) Compliance Statement

These consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations and SIC Interpretations endorsed by the Financial Supervisory Commission (collectively "IFRSs").

(II) Basis of preparation

1. Except for the significant items below, the unconsolidated financial statements are reported with historical costs:

   (1) Financial asset at fair value through profit or loss

   (2) The defined benefit liability is recognized with the pension plan assets less the present value of the defined benefit obligation.

2. It is necessary to use certain significant accounting estimates for the preparation of the financial statements in accordance with Financial Reporting Standards (IFRSs). Management also needs to make judgements during the process of applying the Group's accounting policies. Please refer to Note 5 for details on the items that involve a high degree of judgement or complexity or significant assumptions and estimates of the unconsolidated financial statements.

(III) Basis of consolidation

1. Principles for preparing consolidated financial statements

   (1) The Group includes all subsidiaries into the reporting of consolidated financial statements. Subsidiaries refer to entities (including structured entities) controlled by the Group. When the Group is exposed to the variable returns from its involvement in these entities or have rights to such variable returns, and can influence the returns through its power on these entities, the Group has control over these entities. Subsidiaries are included in the consolidated financial statements from the day when the Group obtains control and excluded from the day when the control is lost.

   (2) The unrealized profit or loss from the transactions between the companies within the Group have been canceled out. The accounting policies of subsidiaries have been adjusted as needed, to align with the policies adopted by the Group.

   (3) Components of profit or loss and other comprehensive income attributable to owners of the parent and to non-controlling interest: Comprehensive income is also attributable to owners of the parent and to non-controlling interest even if this causes losses to non-controlling interest.

   (4) If the change of ownership in a subsidiary does not result in loss of control (i.e., transaction with non-controlling interest), it is treated as an equity transaction, i.e., a transaction among owners. Any difference between the amount adjusted in non-controlling interest and the fair value paid or received is recognized directly in equity.

   (5) When the Group loses control over a subsidiary, the residual investment in the subsidiary is remeasured at fair value, as the fair value for initial recognition of the financial asset or the cost for initial recognition of the stake in the associate or the joint venture. The difference between the fair value and the carrying amount is recognized as profit or loss during the period. The accounting treatment for all the amounts related to the subsidiary previously recognized in other comprehensive income is the same as the Group's disposal of relevant assets or liabilities. In other words, the gain or loss previously recognized in other comprehensive income will be reclassified into profit or loss when the relevant assets or liabilities are disposed. When the control over the subsidiary is lost, the gain or loss will be reclassified from equity to profit or loss.

2. Subsidiaries included in consolidated financial statements

Name of investing company	Name of subsidiary	Business	% of ownership December 31, 2022	% of ownership December 31, 2021	Explanations
Parent Company	PLOTECH (BVI) CO.,LTD.(hereinafter referred to as "PLOTECH BVI")	Investment	100	100	
PLOTECH BVI	PLOTECH (CAYMAN) CO., LTD(hereinafter referred to as "PLOTECH CAYMAN")	Investment	100	100	
PLOTECH CAYMAN	Plotech Technology (Kunshan) Co., Ltd (Hereinafter referred to as "Plotech Technology Kunshan")	Production and marketing of printed circuit boards	90.85	90.85	
Plotech Technology Kunshan	Plotech Technology (HK) Co., Ltd. (Hereinafter referred to as "Plotech Technology HK")	Marketing of printed circuit boards	100	100	
Plotech Technology Kunshan	Plotech (Nantong) Microcircuit Technology Co., Ltd. (Hereinafter referred to as "Plotech Nantong")	Production and marketing of printed circuit boards	100	100	

3. Subsidiaries not included in the consolidated financial statements: none.

4. Adjustment and treatment for different accounting periods of subsidiaries: not applicable.

5. Significant restrictions: none.

6. Subsidiaries significant to the Group but not controlled by the Group: none.

(IV) Translation of foreign currency

The items listed in the Group's each entity's financial statements are measured with the currency in the primary economic environment where the entity operates (i.e., functional currency). These consolidated financial statements are presented with the Company's functional currency, i.e., the New Taiwan dollars.

1. Foreign currency transactions and balances

(1) Transactions in foreign currencies are translated into the functional currency with the spot exchange rate on the transaction dates or measurement dates. Any exchange difference due to such transactions is recognized in the profit or loss during the period.

(2) The valuation of monetary assets and liabilities denominated in foreign currencies is adjusted with the spot exchange rates on the balance sheet. Any exchange difference due to adjustments is recognized as profit or loss during the period.

(3) Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value through profit or loss are adjusted with the spot exchange rates on the balance sheet dates. Any exchange difference due to adjustments is recognized as profit or loss during the period. Those assets and liabilities measured at fair value through other comprehensive income are adjusted with the spot exchange rates on the balance sheet dates. Any exchange difference due to adjustments is recognized as other comprehensive income. Those not measured at fair value are measured at the historical exchange rates of the initial transaction dates.

(4) All the other exchange gain or loss is recognized in "other gain and loss" in the income statement according to the nature of transactions.

2. Translation of the financial statements of foreign operations

(1) All of the Group's entities, associates and joint arrangements whose functional currency is not the same as the presentation currency shall translate operating results and financial position into the presentation in the following method:

A. Each asset and liability on the balance sheet is translated with the closing exchange rate on the balance sheet date.

B. Gains and losses expressed in each consolidated statement of income are translated at the average exchange rate for the period; and all translation differences arising from the translation are recognized in other comprehensive income.

(2) When a subsidiary disposes or sells certain overseas operations, the corresponding accumulative translation difference recognized as other comprehensive income pro-rata shall be reclassified as the non-controlling interest attributable to the overseas operations concerned. Even if the Company retains some interest in the aforesaid subsidiaries but has lost control on overseas operations owned by the subsidiaries, it is treated as disposal of all interest in the overseas operations.

(V) Classification of current and non-current assets and liabilities

1. Assets are classified as current if any of the following conditions is met:

(1) Expected to be realized during the normal operating cycle or intended for sale or consumption

(2) Held primarily for the purpose of trading.

(3) Expected to be realized within 12 months after the balance sheet date

(4) Cash and cash equivalent, unless restricted from exchange or from use to settle a liability for at least twelve months after the balance sheet date.

The Group classifies all the assets not meeting the above criteria as non-current.

2. Liabilities are classified as current if any of the following conditions is met:

(1) Expected to be repaid within the normal operating cycle.

(2) Held primarily for the purpose of trading.

(3) Repayments expected due within 12 months after the balance sheet date.

(4) Repayments not o be extended unconditionally to more than 12 months after the balance sheet date. The clauses concerning the repayment of debts possibly via issue of equity instruments as chosen by counterparties do not affect the classification.

The Group classifies all the liabilities not meeting the above criteria as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be readily converted to cash of certain amounts and the risks of change in value are minimum. Fixed-term deposits that meet the above definitions and are held to meet short-term capital commitments for operation are classified as cash equivalents.

(VII) Financial assets at fair value through profit or loss

1. Financial assets not at amortized cost or at fair value through other comprehensive income

2. The Group adopts trade date accounting for financial assets at FVTP under regular purchases and sales.

3. Initial recognition is based on fair values, with relevant transactions recognized as profit or loss. The gain or loss resultant from subsequent measurement of fair value is recognized in profit or loss.

4. Once the right to receive dividends has been confirmed, the economic benefits associated with dividends are likely to flow in and the amount of dividends can be reliably measured, the Group recognizes dividend incomes in profit or loss.

(VIII) Financial assets measured at amortized cost

1. Meeting both the conditions below:

   (1) Financial assets held for the purpose of collecting contracted cash flows

   (2) The contracted cash flows of the financial asset on specific date are entirely the repayment of the principal and the interests on the outstanding principal.

2. The Group adopts trade date accounting for financial assets at fair value through profit or loss under regular purchase and sale.

3. The initial recognition is based on the fair value less transaction costs. Subsequently, interest income during the circulation period is recognized with the effective interest method and according to amortization procedures. Impairment is recognized accordingly. Any gain or loss is recognized as profit or loss.

4. The Group holds fixed-term deposits not qualified as cash equivalents. The effects of discounting are insignificant due to short holding periods. These deposits are measured at the invested amounts.

(IX) Accounts and notes receivable

1. Accounts and notes with unconditional rights for collection of the amounts corresponding to the goods or services transferred according to contractual agreements.

2. Non-interest bearing short-term accounts and notes receivable. Given the insignificant effect of discounting, the Group measures with invoiced amounts.

(X) Impairment of financial assets

On each balance sheet date, the Company measures the debt instruments at fair value through other comprehensive income and the financial assets at amortized cost by considering all the reasonable and verifiable information (including forward looking information). If the originally recognized credit risk has not increased significantly, the allowance for losses is measured with the 12-month expected credit losses. If the originally recognized credit risk has increased significantly, the allowance for losses is measured with the lifetime expected credit losses. The allowance for losses of accounts receivable or contract assets excluding significant financing components is measured with the lifetime expected credit losses.

(XI) Derecognition of financial assets

The Group derecognizes financial assets in any of the following circumstances:

1. The contractual rights of collecting cash flows from the financial asset become invalid.
2. The contractual rights of collecting cash flows from the financial asset has been transferred and the ownership of the financial asset has been transferred, along with almost all risks and returns.
3. The contractual rights of collecting cash flows from the financial asset has been transferred, without retaining the control over the financial assets.

(XII) Lease transactions as a lessor－operating leases

Rental incomes less any incentives granted to the lessees of operating leases are recognized as profit or loss during the leasing period in the straight line method.

(XIII) Inventories

Inventory is measured at the lower of cost and net realizable value. Cost is determined with the weighted average method. The costs of finished goods and goods-in-progress include raw materials, direct labor, other direct costs and manufacturing expenses related to production (distributed according to normal capacity). However, this does not include borrowing costs. The item-by-item method is used to compare the lower of cost and net realizable value. Under the item-by-item method, net realizable value refers to the estimated selling price during the normal business process less estimated costs required for completion and relevant variable selling costs.

(XIV) Property, Plant and Equipment

1. Property, plant and equipment is recognized at the cost of acquisition. The interest during the construction period is capitalized.
2. Subsequent costs can only be included into the carrying amount of an asset or recognized as a standalone asset when the relevant future economic benefits are likely to flow to the Group and such costs can be reliably measured. The carrying amount of the replaced parts should be derecognized. All the other maintenance expenses are recognized into profit or loss when occurred.
3. Subsequent measurement of property, plant and equipment is based on the cost model. Land is not depreciated but all the other items are depreciated in the straight-line method over the estimated service life. Separate depreciation is recognized for significant components of property, plant and equipment.
4. At the end of each financial year, the Group examines the residual value, service life and depreciation method of each assets. If the expected residual value and the service life are different from the prior estimate or the expected consumption of future economic benefits of the asset has changed significantly, the change shall be treated as change in accounting estimate from the date of change occurrence and in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The service life of each asset is as follows:

Houses and buildings	4 years to 56 years
Machinery and equipment	3 to 10 years
Pollution prevention equipment	4 to 10 years
Transportation equipment	5 to 10 years
Office equipment	4 to 6 years
Other equipment	3 to 6 years

(XV) Lease transactions as a lessee－right-of-use assets/lease liabilities

1. Lease assets are recognized from the day available for use to the Group as right-of-use assets and lease liabilities. When a lease contract is short-term or the underlying asset is low in value, the lease payments are expensed in the straight-line method during the lease period.
2. From the beginning date of the lease, the lease liability is recognized at the present value of the outstanding lease payments discounted at the Group's incremental borrowing rate. Lease payments refer to fixed payments less any lease incentives receivable.

   Subsequent measurement is based on amortized cost and the interest method. Interest expenses are recognized during the lease period. In case of modification in lease terms or lease payments not due to contractual amendments, the lease liability will be reassessed and the right-of-use asset will be adjusted with remeasurement.
3. Right-of-use assets are recognized at cost on the day when leases start. Costs refer to the original measured amount of lease liabilities.

   Subsequent measurement is based on the cost model. Depreciation is recognized for the earlier of the service life of the right-of-use asset or the expiry of the lease term. When a lease liability is reassessed, the right-of-use asset will be adjusted with the amount of remeasurement in the lease liability.
4. In case of lease modification due to the reduced scope of the lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease concerned. The difference from the remeasurement of the lease liability is recognized as profit or loss.

(XVI) Intangible asset

Computer software is recognized at the cost of acquisition and amortized in the straight-line method over the service life of five years.

(XVII) Impairment of non-financial assets

The company estimates the recoverable amount of the asset with indication of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, impairment is recognized. The recoverable amount refers to the higher of the fair value less costs of disposal or the value in use. When the circumstance for recognition of asset impairment in prior years no longer exists or is reduced, the impairment loss is reversed. However, the increased carrying amount due to reversal of impairment loss may not exceed the carrying amount that it would have been without the prior impairment loss, net of depreciation or amortization.

(XVIII) Borrowings

This refers to short-term and long-term borrowings from banks and other short-term and long-term borrowings. The initial recognition is based on the fair value less transaction costs. Any subsequent difference between the proceeds less transaction costs and the redemption value is amortized with the effective interest method as interest expense in profit or loss during the circulation period.

(XIX) Accounts and notes payable

1. This refers to debts due to purchases of raw materials, goods or services on credit or notes payable whether arising from operations or not.
2. Discounting does not create much impact on short-term accounts and notes payable that do not bear interests. Initial recognition is based on fair values. Interest expenses are subsequently recognized with the effective interest method and according to amortization procedures during the circulation period.

(XX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations have been fulfilled, canceled or have expired.

(XXI) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured with the non-discounted expected amount and expensed when the relevant services are rendered.

2. Pension

   (1) Defined contribution plan

   Pension contributions payable to the defined contribution plan are recognized as pension costs for the period on the accrual basis. Prepaid contributions are recognized as an asset within the refundable range or the reduced portion of future contributions.

   (2) Defined benefit plan

   A. The net obligation of the defined benefit plan is calculated by discounting the future benefits earned by employees during the period or in the past. It is recognized as the present value of the defined benefit obligation less the fair value of the plan asset on the balance sheet date. The net obligation of the defined benefits is calculated each year by actuaries based on the projected unit credit method. The discount rate is the market yield of the government bonds on the balance sheet with the same currency and duration of the defined benefit plan.

   B. The remeasurement of a defined benefit plan is recognized as other comprehensive income for the period and indicated in retained earnings.

3. Employees' compensation and remuneration of directors and supervisors

Employees' compensation and remuneration of directors and supervisors are recognized as expenses and liabilities when such compensation and remuneration are statutory or constructive obligations and the amount can be reasonably estimated. If the subsequently resolved and actually distributed amount is different from the estimated amount, the difference is handled as a change in accounting estimate. If employees' compensation is paid with shares, the number of shares is calculated with the closing price on the day before the Board of Directors' resolution.

(XXII) Share-based payment

1. For equity-settled share-based payment agreements, remuneration cost is recognized based on the fair value of the equity instruments on the grant date for employees' services received during the vested period. Equity items are adjusted accordingly. The fair value of equity instruments reflect the market price of vesting conditions and the effect of non-vesting conditions. Recognized remuneration cost is adjusted according to compensations expected to qualify as service and for non-market vesting conditions until the final recognition date when the amount is based on the vested amount on the vesting date.

2. New restricted shares to employees:

(1) Remuneration cost is recognized based on the fair value of the equity instruments on the grant date for employees' services received during the vested period.

(2) There is no need to return the dividends received for ownership of shares with unrestricted dividend rights if an employee departs during the vested period. Remuneration cost is recognized on the dividend announcement date based on the fair value of dividends expected to be issued to employees who departs during the vested period.

(XXIII) Income tax

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss except those income taxes related to items of other comprehensive income or directly recognized as equity are recognized as other comprehensive income or directly as equity, respectively.

2. The Group calculates income taxes for the period according to the enacted or substantively enacted tax rates on the balance sheet date in the countries where the Group operates and generates taxable incomes. Management assesses the filing of income taxes periodically and according to applicable income tax laws and regulations and where applicable, must estimate income tax liabilities for expected tax payments to tax authorities. Undistributed earnings are subject to additional income taxes under the income tax laws. Income tax expenses on undistributed earnings are recognized on the basis of actual distributions in the year after the earnings have been generated and the distribution proposal has been resolved by the shareholders' meeting.

3. The balance sheet approach is used for deferred taxes, to account for the temporary difference between the tax base of assets and liabilities and the carrying amount on the consolidated balance sheet. The deferred tax liabilities arising from initial recognition of goodwill are not recognized. If deferred income taxes arise from initial recognition of assets or liabilities for transactions (excluding mergers) and the transactions do not affect accounting profits or taxable incomes (losses), such deferred income taxes are not recognized. If there is a temporary difference between subsidiaries and associates, the Group can control the timing of the reversal of the temporary difference,

and the temporary difference is unlikely to be reversed in foreseeable future, it will not be recognized. Deferred income taxes are based on enacted or substantively enacted tax rates (and tax laws) on the balance sheet date expected to be applicable to realization of deferred tax assets or payment of deferred tax liabilities.

4. Deferred income taxes are recognized within the scope where temporary differences are likely to be used to offset future taxable incomes. Reassessment is conducted on each balance sheet regarding unrecognized and recognized deferred tax assets.

(XXIV) Share capital

1. Ordinary shares are classified as equity. The incremental cost directly attributable to the issue of new shares or warrants less income taxes is recognized as a deduction to equity.
2. When the Company repurchases its issued shares, the prices it pays (including any incremental costs directly attributable) are recognized net of taxes as a deduction to equity. The difference between the carrying amount and the proceeds from the re-issue of repurchased shares less any incremental costs directly attributable and effects on income taxes is recognized as an adjustment to equity.

(XXV) Dividend distributions

The dividends distributed to shareholders are recognized in the financial statements when resolved by the Company's shareholders' meeting. Cash dividends to be distributed are recognized as a liability. Stock dividends to be distributed are recognized accordingly and converted into ordinary shares on the day of new share issuance.

(XXVI) Revenue recognition

1. The Group manufactures and markets printed circuit boards and relevant products. Revenue is recognized when the control of products is transferred to customers, i.e., when products are handed over to customers. When customers accept products in accordance with sales contracts or there is objective evidence proving all acceptance standards have been satisfied, the handover of products has occurred.
2. Revenue from sale of products is recognized at the contract price net of sales rebates. Payment days are usually 30 to 180 days due after shipments. There is no gap above one year from the time when goods or services are transferred to customers as committed to the time when customers make payments. Therefore, the Group does not adjust transaction prices to reflect the time value of money.
3. Accounts receivable are recognized when products are handed to customers. It is from this point in time the Group has unconditional rights to contract prices and can collect the proceeds from customers after time has passed.

(XXVII) Operating Segments

The Group's segment information and the internal management reports used by key decision-makers are reported in a consistent manner. The key decision-makers are responsible for allocating resources to segments and evaluating segment performance.

Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the preparation of the Group's consolidated financial statements, management makes judgment in the determination of accounting policies and arrives at accounting estimates and assumptions based on the reasonable expectations of future events in the circumstances on the balance sheet dates. Significant accounting estimates and assumptions may be different from actual outcomes. Continuous assessments and adjustments will be made based on historical experience and other factors. Such estimates and assumptions come with the risks of significant adjustments to the carrying amounts of assets and liabilities during the next financial year. Please refer to the following explanations in detail about significant accounting judgments, estimates and estimation uncertainties.

(I) Key judgments for accounting policies

None

(II) Key accounting estimates and assumptions

Inventory valuation

Inventory must be valued at the lower of cost or net realizable value. Therefore, the Group must make judgements and estimates in the determination of the net realizable value of inventory on the balance sheet dates. Given the rapid technological changes, the Group assesses the inventory on the balance sheet dates for normal wear-and-tear, obsolescence or marketability and reduces the inventory cost to the net realizable value. Inventory valuation is primarily based on the estimation for product demand for a time period in the future. Therefore, significant changes may occur. Please refer to Note 6 (6).

Summary of Significant Accounting Items

(I) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and penny cash	$ 332	$ 360
Check deposits and demand deposits	526,306	382,636
Fixed-term deposits	124,193	516,987
	$ 650,831	$ 899,983

1. The credit quality of the financial institutions the Company deals with is high. Meanwhile, the Company deals with multiple financial institutions at the same time to diversify credit risks. The expected probability of defaults is fairly low.

2. The Group did not collateralize its cash and cash equivalents.

(II) Financial assets at fair value through profit or loss

Item	December 31, 2022	December 31, 2021
Current items		
Financial assets designated at fair value through profit or loss		
TWSE/TPEx listed shares	$ 2	$ 2
Valuation adjustment	109	101
	$ 111	$ 103
Non-current items		
Financial assets designated at fair value through profit or loss		
Non TWSE/TPEx listed shares	$ 107,000	$ 107,000
Valuation adjustment	(51,950)	7,450
	$ 55,050	$ 114,450

1. Financial asset at fair value through profit or loss are detailed below:

	2022	2021
Financial assets designated at fair value through profit or loss		
TWSE/TPEx listed shares	$ 8	($ 6)
Non TWSE/TPEx listed shares	(59,400)	38,250
	($ 59,392)	$ 38,244

2.None of the Group's financial assets at fair value through profit or loss is pledged.

(III) Financial assets measured at amortized cost

Item	December 31, 2022	December 31, 2021
Current items		
Fixed-term deposits with an initial maturity of more than three months	$ 230,325	$ 220,632

1. Profit or loss from financial assets at amortized cost is detailed below:

	2022	2021
Interest income	$ 3,837	$ 617

2. Please refer to Note 8 for details of pledge on the Group's financial assets at amortized cost as collaterals.

3. Please refer to Note 12 (2) for details on the credit risk of financial assets at amortized cost. The Group invests in time certificates of deposit with counterparties that are financial institutions of good credit quality and the possibility of default is expected to be low.

(IV) Notes payable and accounts payable

	December 31, 2022	December 31, 2021
Notes receivable	$ 55,483	$ 13,786
Trade receivable	$ 1,067,955	$ 1,245,952
Less: Allowance for bad debts	(46,639)	(17,615)
	$ 1,021,316	$ 1,228,337

1. None of the Group's notes receivable falls overdue. Please refer to Note 12 (2) for the aging analysis of accounts receivable.
2. As of December 31, 2022 and 2021, all accounts receivable and notes receivable were generated from contracts with customers. As of January 1, 2021, the accounts receivable from contracts with customers were $1,359,685.
3. Without considering the collaterals held or other credit enhancements, the maximum risk exposures best indicative of the Company's credit risks associated with notes receivable as of December 31, 2022 and 2021 are $55,483 and $13,786, respectively. The maximum risk exposures best indicative of the Company's credit risks associated with accounts receivable as of December 31, 2022 and 2021 are $1,021,316 and $1,228,337, respectively.
4. The outstanding balances of the Group's endorsements/guarantees (with notes receivable yet to be derecognized) to others for payments to suppliers at equivalent amounts were $0 and $4,127 as of December 31, 2022 and 2021, respectively. If the note issuers or the acceptors decline to make payments when due, the Group as the endorser has the obligation for repayments.
5. As of December 31, 2022 and 2021, the Group had $22,040 and $0 of bills receivable discounted. If the issuers refuse to pay when due, the Group has an obligation to settle the bills, but under normal circumstances, the Group does not expect the acceptors to refuse to pay.
6. The Group does not hold any collaterals for the aforesaid accounts receivable.
7. Please refer to Note 12 (2) for the information on credit risks associated with accounts receivable and notes receivable.

(V) Transfer of financial assets

The Group assesses that certain notes receivable discounted with banks or endorsed/guaranteed to others meet the derecognition requirements for financial assets. If the note issuers or the acceptors decline to make payments when due, the Group has the obligation for repayments. That said, the credit ratings of the aforesaid note issuers or acceptors are extremely high.

	December 31, 2022	December 31, 2021
Endorsements/guarantees to others	$ -	$ 4,640 (RMB 1,068 thousand)
Bank discounting	$ 22,040 (RMB 5,000 thousand)	$ -

(VI) Inventories

	December 31, 2022		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials and supplies	$ 108,661	($ 10,570)	$ 98,091
Work in progress	77,317	(14,393)	62,924
Finished goods	132,564	(27,964)	104,600
Products	164	-	164
	$ 318,706	($ 52,927)	$ 265,779

	December 31, 2021		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials and supplies	$ 106,859	($ 8,620)	$ 98,239
Work in progress	153,694	(12,551)	141,143
Finished goods	130,856	(17,628)	113,228
Products	929	-	929
	$ 392,338	($ 38,799)	$ 353,539

The Group recognizes the following cost of inventory as expense or loss during the period:

	2022	2021
Cost of inventories sold	$ 2,627,505	$ 2,880,339
Inventory write-downs	13,770	13,512
Adjustment to physical counts of inventory	1,129	854
	$ 2,642,404	$ 2,894,705

(blank below)

(VII) Property, Plant and Equipment

2022

	Land	Houses and buildings	Machinery and equipment	Pollution prevention equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment to be tested for acceptance	Total
January 1									
Cost	$ 76,027	$ 1,425,983	$ 3,065,188	$ 171,133	$ 13,523	$ 26,409	$ 54,794	$ 1,830,031	$ 6,663,088
Accumulated depreciation and impairment	-	(872,858)	(1,871,262)	(112,028)	(6,887)	(20,336)	(39,299)	-	(2,922,670)
	$ 76,027	$ 553,125	$ 1,193,926	$ 59,105	$ 6,636	$ 6,073	$ 15,495	$ 1,830,031	$ 3,740,418
January 1	$ 76,027	$ 553,125	$ 1,193,926	$ 59,105	$ 6,636	$ 6,073	$ 15,495	$ 1,830,031	$ 3,740,418
Addition	-	-	707	-	-	-	-	866,430	867,137
Disposal	-	-	(24,217)	-	-	(65)	(167)	-	(24,449)
Transfer(Note)	-	3,180	210,190	4,165	1,749	3,256	9,400	(235,155)	(3,215)
depreciation expense	-	(77,039)	(171,058)	(15,273)	(1,724)	(1,650)	(4,893)	-	(271,637)
Net exchange differences	-	7,432	15,458	891	78	74	131	24,496	48,560
December 31	$ 76,027	$ 486,698	$ 1,225,006	$ 48,888	$ 6,739	$ 7,688	$ 19,966	$ 2,485,802	$ 4,356,814
December 31									
Cost	$ 76,027	$ 1,447,513	$ 3,198,328	$ 177,651	$ 15,391	$ 29,485	$ 63,553	$ 2,485,802	$ 7,493,750
Accumulated depreciation and impairment	-	(960,816)	(1,973,321)	(128,763)	(8,652)	(21,797)	(43,587)	-	(3,136,936)
	$ 76,027	$ 486,697	$ 1,225,007	$ 48,888	$ 6,739	$ 7,688	$ 19,966	$ 2,485,802	$ 4,356,814

Note: The total amount was transferred to the intangible asset account.

2021	Land	Houses and buildings	Machinery and equipment	Pollution prevention equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment to be tested for acceptance	Total
January 1									
Cost	$ 75,106	$ 1,428,022	$ 2,685,684	$ 155,496	$ 10,869	$ 28,878	$ 49,970	$ 320,547	$ 4,754,572
Accumulated depreciation and impairment	-	(803,139)	(1,777,032)	(100,273)	(7,152)	(21,876)	(35,602)	-	(2,745,074)
	$ 75,106	$ 624,883	$ 908,652	$ 55,223	$ 3,717	$ 7,002	$ 14,368	$ 320,547	$ 2,009,498
January 1	$ 75,106	$ 624,883	$ 908,652	$ 55,223	$ 3,717	$ 7,002	$ 14,368	$ 320,547	$ 2,009,498
Addition	-	2,385	1,520	554	-	-	-	2,044,160	2,048,619
Disposal	-	-	(9,637)	-	(291)	(43)	(57)	-	(10,028)
Transfer(Note)	921	5,002	460,738	16,167	4,428	331	6,189	(533,341)	(39,565)
depreciation expense	-	(74,887)	(161,375)	(12,435)	(1,205)	(1,166)	(4,945)	-	(256,013)
Net exchange differences	-	(4,258)	(5,972)	(404)	(13)	(51)	(60)	(1,335)	(12,093)
December 31	$ 76,027	$ 553,125	$ 1,193,926	$ 59,105	$ 6,636	$ 6,073	$ 15,495	$ 1,830,031	$ 3,740,418
December 31									
Cost	$ 76,027	$ 1,425,983	$ 3,065,188	$ 171,133	$ 13,523	$ 26,409	$ 54,794	$ 1,830,031	$ 6,663,088
Accumulated depreciation and impairment	-	(872,858)	(1,871,262)	(112,028)	(6,887)	(20,336)	(39,299)	-	(2,922,670)
	$ 76,027	$ 553,125	$ 1,193,926	$ 59,105	$ 6,636	$ 6,073	$ 15,495	$ 1,830,031	$ 3,740,418

Note: The total amount was transferred to the intangible asset account.

1. Please refer to Note 8 for details on the collateralization of the Group's property, plant and equipment.
2. As of December 31, 2022, the amount of interest capitalized on property, plant and equipment was $13,289, and the net interest rate range of capitalized interest was 3.71% to 8.18%. (Not such circumstances as of 2021.)

(VIII) Leases - lessee

1. The assets of the Group's lease contracts include land, buildings and machinery. Lease contracts are typically between one and fifty years. Lease contracts are negotiated individually and contain different terms and conditions. There are no extra limitations.

2. Carrying amount of right-of-use assets and recognition of depreciation expenses

	December 31, 2022 Amount of accounts	December 31,2021 Amount of accounts
Land	$ 29,193	$ 27,288
Houses	372	593
Machinery and equipment	1,529	1,311
	$ 31,094	$ 29,192

	2022 depreciation expense	2021 depreciation expense
Land	$ 1,975	$ 1,962
Houses	420	332
Machinery and equipment	2,403	2,620
	$ 4,798	$ 4,914

3. The Group added the right-of-use assets by $6,320 and $ 5,636, respectively, in 2022 and 2021.

4. Profit or loss related to lease contracts

	2022	2021
Items that affect profit or loss during the period		
Interest on lease liabilities	$ 81	$ 58
Expenses arising from short-term lease contracts	$ 1,321	$ 826
Expenses arising from leases of low-value assets	$ 231	$ 329

5. The Group'scash outflow from leases totaled $5,543 and $5,371in 2021 and 2020, respectively.

6. Please refer to Note 8 for the explanations about the Group's collateralization of right-of-use asset - land.

(IX) Leases - lessor

1. The Group rents out buildings, machinery and equipment. Lease contracts are usually between three to five years. Lease contracts are negotiated individually and contain different terms and conditions. To safeguard the usage status of assets rented out, the lessees are typically asked not to collateralize the rented assets for borrowings or asked to provide residual value guarantees.

2. The Group recognized rental incomes totaling $2,797 and $3,168 from operating leases in 2022 and 2021, respectively. There were no variable lease payments.

3. The Group recognized the following gains on operating lease contracts in 2022 and 2022:

	2022	2021
Rental income	$ 2,797	$ 3,168

4. The maturity dates of the Group's operating leases as a lessor are analyzed below:

	December 31, 2022	December 31, 2021
2022	$ -	$ 1,719
2023	918	845
2024	901	828
2025 years	423	828
After 2026 years	78	36
	$ 2,320	$ 4,256

(X) Other non-current assets

	December 31, 2022	December 31, 2021
Overdue receivables	$ 8,877	$ 8,001
Less: Allowance for bad debts	(8,877)	(8,001)
Refundable deposits	75,889	30,489
Others	16,970	18,295
	$ 92,859	$ 48,784

1. Please refer to Note 8 for explanations about the Group's collateralization of refundable deposits.

2. (1) The subsidiary Plotech Technology Kunshan and the Management Committee of Rugao Economic and Technological Development Zone ("Rugao") signed an investment agreement in December 2019, with the main contents as follows:

   A. Rugao charges a fee and provides the land of about 200 mus in Rugao Economic and Technological Development Zone to Plotech Technology Kunshan for factory facilities. Assistance is also offered for facility construction. Meanwhile, Plotech Technology Kunshan is committed to the establishment of Plotech Nantong in Rugao Economic and Technological Development Zone.

   B. This investment project is divided into two phases. The investment in each phase is RMB800 million. Phase 1 will cover an site area of 120mus, Phase 2 80mus.

   C. Plotech Technology Kunshan and Rugao agree that Plotech Nantong will purchase the factory facilities once completed. Please refer to (2) for relevant details of the three-party cooperation agreement.

   (2) The subsidiary Plotech Technology Kunshan, Rugao and Jiangsu Gaokai Investment Development Group Co., Ltd. ("Gaokai") signed a three-party cooperation agreement in February 2020, with main contents as follows:

   A. Gaokai is Rugao's investment company. Gaokai intends to set up a special purpose vehicle (SPV), which will complete the construction of factory facilities for Plotech Nantong according to Plotech Technology Kunshan's requirements. In addition, the SPV's entire ownership will be transferred to Plotech Nantong via an IPO within five years after construction completion.

B. Plotech Nantong provides a performance guarantee of RMB 6 million to Gaokai. In addition, on the day after Phase 1 is handed over for use, Plotech Nantong must provide approximately 30% of the construction cost as the follow-up performance bond and performance guarantee.

(XI) Short-term borrowings

Nature of borrowings	December 31, 2022		Range of interest rates	Collateral
Bank loans				
Secured loans	$	769,688	1.80%~3.80%	Fixed-term deposits; property, plant and equipment; and right-of-use assets
Credit loans		626,906	3.60%~6.55%	None
	$	1,396,594		

Nature of borrowings	December 31, 2021		Range of interest rates	Collateral
Bank loans				
Secured loans	$	706,913	1.05%~4.00%	Fixed-term deposits; property, plant and equipment; and right-of-use assets
Credit loans		888,941	1.30%~4.20%	None
	$	1,595,854		

1. The major restrictive clauses of the loan agreements entered into between the Group-Plotech Technology Hong Kong and Taipei SinoPac Bank on December 31, 2022 and 2021 are as follows:

   (1) Plotech Technology Group's average deposit balance with our bank during the most recent three months may not fall below US$200,000 (excluding pledged or reserve deposits). If this is not achieved, the available credit limit is reduced to US$500,000. The credit limit is resumed to the original level once this requirement is met during the following month.

   (2) Only when the balance of its short-term secured debt reaches US$1 million can Plotech Technology Kunshan only utilize Plotech Technology HK's short-term credit facility for borrowing, imports and exports.

2. The major restrictive clauses of the loan agreements entered into between the Group-Plotech Technology Hong Kong and Taipei SinoPac Bank on December 31, 2022 and 2021 are as follows:

   (1) Plotech Technology should maintain a debt ratio at 150% or lower. This ratio is reviewed once every six months based on the audited interim and annual consolidated financial statements. If this is not achieved, it is necessary to produce a review report. The facility can only be increased with the approval from the credit management department for corporate lending.

   (2) Plotech Technology Group's average deposit balance with our bank during the most recent three months may not fall below US$200,000 (excluding pledged or reserve deposits). If this is not achieved, the available credit limit is reduced to US$1,000,000. The credit limit is resumed to the original level once this requirement is met during the following month.

3. As of December 31, 2022, the Group has not seen its credit limit changed due to breach of the above covenant.

(XII) Other payables

	December 31, 2022		December 31, 2021	
Wages and bonuses payable	$	152,066	$	158,814
Processing fees payable		75,030		88,754
Consumables payable		42,920		34,893
Equipment and engineering fees payable		975,434		1,121,295

Maintenance fees payable	51,554	50,521
Sales tax payable	20,405	34,886
Commissions payable	19,742	18,937
Utility bills payable	7,479	9,264
Others	106,966	79,734
	$ 1,451,596	$ 1,597,098

(blank below)

(XIII) Long-term borrowings

Nature of borrowings	Borrowing period and repayment method	Range of interest rates	Collateral	December 31, 2022
Long-term bank loans				
Credit loans in US dollars	US$1,500 thousand borrowed from August 16, 2021 to August 15, 2024, with interest payable every three months and principal repayable in three monthly installments starting from the seventh month	7.06%	None	$ 32,235
Secured loans in RMB	Borrowings of RMB15,700 thousand from March 28, 2022 to March 27, 2025, with monthly interest payments	3.71%	Fixed-term deposits	69,206
Secured loans in RMB	RMB4,000,000 borrowed from August 16, 2022 to September 15, 2023, with interest due on the 20th of each quarter and principal and interest payable in one lump sum at maturity	3.70%	None	17,632
Secured loans in RMB	RMB4,000,000 borrowed from November 15, 2022 to December 14, 2023, with interest payable quarterly on the 20th day of each quarter and principal and interest due in one installment	3.70%	None	17,632
Secured loans in RMB	Borrowings of RMB12,200 thousand from September 23, 2022 to September 22, 2025, with monthly interest payments	3.71%	Fixed-term deposits	53,778
Other long-term borrowings				
Secured loans in USD	US$3,350 thousand from February 25, 2022 to February 25, 2025, with monthly interest payments and principal repayments in three monthly installments	5.10%	Refundable deposits	77,057
Secured loans in RMB	A loan of RMB10,556 thousand was raised for the period from April 29, 2021 to April 29, 2024. Repayments of the interests and the principal are made once every two months.	7.10%	Machinery and Equipment and Deposits	21,344
Secured loans in RMB	A loan of RMB36,944 thousand was raised for the period from July 27, 2021 to July 26, 2024. Repayments of the interests and the principal are made once every two months.	6.82%	Machinery and Equipment and Deposits	84,672
Secured loans in RMB	Borrowings of RMB26,750,000 from May 7, 2022 to May 7, 2025, with monthly interest payments and repayment of principal in two monthly installments	7.13%	Machinery and Equipment and Deposits	88,255

Secured loans in RMB	Borrowings of RMB10,100 thousand from July 4, 2022 to July 4, 2025, with interest payable monthly and repayment of principal in three monthly installments	8.14%	Machinery and equipment	36,557
Secured loans in RMB	Borrowings of RMB10,100 thousand from August 15, 2022 to August 15, 2025 with interest payable monthly and repayment of principal in three monthly installments	8.18%	Machinery and equipment	36,370
Secured loans in RMB	RMB20,200,000 borrowing from September 13, 2022 to September 13, 2025, with interest payable monthly and repayment of principal in three monthly installments	8.18%	Machinery and equipment	72,519
Secured loans in RMB	RMB20,200,000 borrowed from November 17, 2022 to November 16, 2025, with interest payable monthly and repayment of principal and interest in two monthly installments	5.88%	Machinery and equipment	96,762
Secured loans in RMB	Borrowings of RMB26,750,000 from October 25, 2022 to October 25, 2025, with interest payable monthly and repayment of principal and interest in three-monthly installments	6.29%	Machinery and equipment	109,286
Secured loans in RMB	Borrowings of RMB20,000,000 from December 19, 2022 to December 19, 2025, with interest payable monthly and repayment of principal and interest in two monthly installments	5.75%	Machinery and equipment	94,594
				907,899
Less: Long-term borrowings due within one year or one operating cycle (listed as other current liability)				(364,738)
				$ 543,161

Nature of borrowings	Borrowing period and repayment method	Range of interest rates	Collateral	December 31, 2021
Long-term bank loans				
Credit loans in US dollars	US$1,500 thousand borrowed from August 16, 2021 to August 15, 2024, with interest payable every three months and principal repayable in three monthly installments starting from the seventh month	2.14%	None	$ 41,544
Other long-term borrowings				
Secured loans in RMB	A loan of RMB10,556 thousand was raised for the period from April 29, 2021 to April 29, 2024. Repayments of the interests and the principal are made once every two months.	7.10%	Machinery and Equipment and Deposits	35,852
Secured loans in RMB	A loan of RMB36,944 thousand was raised for the period from July 27, 2021 to July 26, 2024. Repayments of the interests and the principal are made once every two months.	6.82%	Machinery and Equipment and Deposits	133,104
				210,500
Less: Long-term borrowings due within one year or one operating cycle (listed as other current liability)				(64,477)
				$ 146,023

(XIV) Net defined benefit liability

1. In accordance with the rules prescribed in the Labor Standards Act, the Company has established its defined benefit scheme, applicable to all the service years of regular employees before the enactment of the Enforcement Rules of the Labor Pension Act on July 1, 2005 and the subsequent service years of the employees who opt for the Labor Standard Act program after the Enforcement Rules of the Labor Pension Act. Pension payouts to employees eligible for retirement are calculated according to service years and average wages for the six months prior to retirement. Two bases are granted for each full year of services up to 15 years and one basis is granted for each full year of services above 15 years. However, the number of accumulated bases is capped at 45. The Company contributes 2% of monthly wages to the dedicated account under the name "Supervisory Committee of Labor Retirement" with Bank of Taiwan. The Company reviews the balance of the aforesaid pension account before the end of each year. If the balance is inadequate to cover the previously stated amount to the employees expected to be eligible for retirement in the following year, the Company will make up the insufficiency with a one-off contribution before the end of March of the following year.

(1) Amounts recognized on the balance sheet:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 70,586	$ 71,679
Fair value of plan assets	(52,378)	(46,479)
Net defined benefit liability	$ 18,208	$ 25,200

(2) Movements the net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2022	$ 71,679	($ 46,479)	$ 25,200
Service cost during the period	390	-	390
Interest expense (income)	538	(358)	180
	72,607	(46,837)	25,770
Remeasurement			
Return on plan assets (excluding the amounts included in net interest or expense)	-	(3,383)	(3,383)
Effects of changes in demographic assumptions	-	-	-
Effects of changes in financial assumptions	(3,657)	-	(3,657)
Experience adjustments	1,763	-	1,763
	(1,894)	(3,383)	(5,277)
Pension contributions	-	(2,285)	(2,285)
Pension payments	(127)	127	-
Balance as of December 31	$ 70,586	($ 52,378)	$ 18,208

	Defined benefit plan Present value of obligations	Planned assets Fair value	Net certainty Liability for benefits
2021			
Balance as of January 1	$ 69,765	($ 44,475)	$ 25,290
Service cost during the period	409	-	409
Interest expense (income)	244	(160)	84
	70,418	(44,635)	25,783
Remeasurement			
Return on plan assets (excluding the amounts included in net interest or expense)	-	(632)	(632)
Effects of changes in demographic assumptions	3,155	-	3,155
Effects of changes in financial assumptions	(2,527)	-	(2,527)
Experience adjustments	1,892	-	1,892
	2,520	(632)	1,888
Pension contributions	-	(2,471)	(2,471)
Pension payments	(1,259)	1,259	-
Balance as of December 31	$ 71,679	($ 46,479)	$ 25,200

(3) The Company's defined benefit plan assets are managed by Bank of Taiwan based on the annual percentages and amounts of the investment mandate and in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., depositing with financial institutions domestic and overseas; investing in domestic and overseas equity securities listed or privately placed and investing in instruments securitized with domestic or overseas real estates, etc.) The mandated management and funds utilization are under the oversight from the Labor Pension Fund Supervisory Committee. The annual minimum return of the fund for distributions may not fall below the interest rate of two-year time deposits offered by local banks. Any insufficiency will be met by the national treasury after the approval from compete authorities. As the Company has no right to participate in the utilization and management of the fund, it is unable to disclose the classification of the fair value of the plan assets in accordance with Section 142 of IFRS 19. Please refer to the government's annual reports on the utilization of the labor pension funds published for the fair value of total assets in the years ended on December 31, 2022 and 2021.

(4) Actuarial assumptions are summarized as follows:

	2022	2021
Discount rate	1.400%	0.750%
Salary growth rate	2.250%	2.250%

Mortality assumptions are based on statistics published by different countries and experience values.

The impact due to change in key actuarial assumptions on the present value of the defined benefit obligation is analyzed as follows:

	Discount rate		Salary growth rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2022				
Impact on the present value of the defined benefit obligation	($ 1,434)	$ 1,480	$ 1,430	($ 1,392)
December 31, 2021				
Impact on the present value of the defined benefit obligation	($ 1,607)	$ 1,663	$ 1,597	($ 1,553)

The above sensitivity analysis is based on the influence of change in a single assumption, with all else being equal. In reality, changes are interrelated for many assumptions. Sensitivity analysis is conduced with the same method used for the calculation of net pension liability on the balance sheet.

The sensitivity analysis for the period is conducted in the same method and with the same assumptions from the prior periods.

(5) The Group plans to contribute $0 in 2023 to the pension plan.

(6) As of December 31, 2022, the weighted average duration of the pension plan is 12 years. The maturity analysis of pension payments is as follows:

< 1 year	$ 52,674
1-5 years	19,203
5-10 years	14,246
	$ 86,123

2. (1) Starting on July 1, 2005, the Company has established pension contribution regulations in accordance with the Enforcement Rules of the Labor Pension Act, applicable to all the Taiwanese employees. For the employees who opt for the Enforcement Rules of the Labor Pension Act, the Company contributes 6% of wages each month to employees' personal accounts with the Bureau of Labor Insurance. Pension payments are based on the amount of personal accounts with accumulated returns. Employees can receive pension payments on a monthly basis or in a lump sum.

(2) The Company's mainland subsidiary contributes monthly to the pension insurance at a certain rate of local employees' total salaries in accordance with the pension insurance system prescribed by the government of the People's Republic of China. In 2022 and 2021, the proportion was 16%. Each employee's pension is managed centrally by the government. The Group has no further obligation other than monthly contributions.

(3) According to the aforesaid pension regulations, the Group recognized pension costs of $44,452 and $23,600 for 2022 and 2021, respectively.

(XV) Share-based Payment

1. The agreement for share-based compensation offered by the Company's subsidiary Plotech Technology Kunshan is as follows:

Agreement type	Grant date	No. granted	Contract period	Vesting conditions	Fair value ($)
New restricted shares to employees	November 30, 2020	10,526 thousand shares	(1)	(1)(3)	12.78
New restricted shares to employees	November 30, 2020	11,460 thousand shares	(2)	(2)(3)	11.86

(1) The lockup period is from the date of subscription to two years after the company's IPO. Vesting is spread over the five years after the lockup period. Employees' unvested shares shall be transferred to the employees of partner firms designated by the subsidiary Plotech Technology Kunshan. However, there is no need to return the received dividends.

(2) The lockup period is from the date of subscription to two years after the company's IPO. Vesting is spread over the four years after the lockup period. Employees' unvested shares shall be transferred to the employees of partner firms designated by the subsidiary Plotech Technology Kunshan. However, there is no need to return the received dividends.

(3) The rights and obligations attached to the issued and invested amount may not be sold, pledged, gifted, setup for right in rem or disposed in other ways before employees attain vesting conditions.

2. Information on the number of new and restricted shares o employees (unit: 1,000 shares)

	2022	2021
Outstanding at beginning of the period (January 1)	21,986	21,986
Granted during the period	-	-
Return in the current period	(6,962)	-
Outstanding at end of the period (December 31)	15,024	21,986

3. The Company's subsidiary Plotech Technology Kunshan values the fair value of the new restricted shares to employees on the grant date with the income approach.

4. The Group incurred remuneration expenses of $1,230 and $12,118 in 2022 and 2021, respectively, in relation to new and restricted shares to employees.

(XVI) Share capital

1. As of December 31, 2022, the Company's capital stock was $3,000,000 divided into 300,000 thousand shares ($200,000 of the former shares were reserved for the issuance of employee stock options and convertible bonds), and 113,354 thousand shares were outstanding with a par value of $10 per share. All the issued shares are paid up.

2. Treasury shares

(1) According to the Securities and Exchange Act, the number of repurchased shares may not exceed 10% of the number of issued shares. The total amount spent on share buybacks may not exceed the aggregate of retained earnings, additional paid-in capital and realized capital surplus.

(2) The treasury shares held by the Company, in accordance with Securities and Exchange Act, shall not be pledged and is not entitled to shareholders' rights before transfer.

(3) According to the Securities and Exchange Act, the shares repurchased for transferring to employees should be transferred within five years after the buyback. If transfers are not made during this period, it is deemed that these issues are unissued. Such shares should be cancelled after registration for the change. The shares repurchased to maintain corporate credibility and shareholders' equity should be cancelled through registration for the change within six months after the buyback. On May 11, June 1, and September 20, 2022, the Company resolved by the Board of Directors to recover 2,669 thousand Treasury shares in the amount of $57,879 in order to safeguard the company's credit and shareholders' rights and interests. The total number of Treasury shares was 1,669 thousand shares and 1,000 thousand shares were cancelled by resolution of the Board of Directors in August 2022 and November 2022 respectively. Of these 1,669 thousand shares, the change registration was completed before December 31, 2022, and the change registration of the remaining 1,000 thousand shares was completed on January 6, 2023.

3. The Board of Directors approved on March 18, 2021 for the Company to conduct capital reduction by 12,891 thousand shares, i.e., by returning a total of $128,915 in cash to shareholders. The capital reduction proposal was resolved by the shareholders' meeting on August 20, 2021. The Board of Directors subsequently set the record date for capital reduction to be October 27, 2021. Registration for the change was completed in November 2021. The return of funds from capital reduction was completed on December 27, 2021.

(XVII) Capital surplus

According to the Company Act, capital surplus from the premium above the face value of issued shares and the receipt of cash donation may be used to offset losses. In the absence of accumulated losses, it can be distributed in the form of shares or cash to shareholders on a pro-rata basis. According to the Securities and Exchange Act, the total amount of capitalization with the aforesaid capital surplus each year may not exceed 10% of paid-in capital. Capital surplus can only be used to offset accumulated losses when earnings reserve remains insufficient.

(XVIII) Retained earnings

1. According to the Company's Articles of Incorporation, any annual earnings finalized should be used

to pay taxes and offset accumulated losses first. This is followed with the appropriation of the remaining 10% as legal reserve. After the recognition or reversal of special earning reserve in adherence to relevant laws and regulations and along with the undistributed earnings from prior years, the Board of Directors proposes the distribution to be resolved by the shareholders' meeting.

2. The Company considers the business environment and the growth stage it is in, as well as the future funding requirements and long-term financial planning. To meet the shareholders' requirements for cash inflows, at least 10% of distributable earnings are allocated as dividends. Among this, cash dividends should account for 10%-100% and stock dividends should account for 0%-90% of the total dividends.

3. Legal reserve can only be used to offset losses and to issue new shares or cash to shareholders on a pro-rata basis. However, the issue of new shares or cash is capped at 25% of the portion that legal reserve exceeds paid-in capital.

4. (1) When distributing earnings, the Company must first recognize (debit) special reserve from other equity on the balance sheet date of the year according to laws and regulations. The subsequent reversal (credit) of other equity items may be included into distributable earnings.

   (2) The initial adoption of IFRSs in accordance with Jin-Guan-Zheng-Fa No. 1010012865 dated April 6, 2012 requires the recognition of special reserve. The Company reverses the recognized special reserve pro-rata for subsequent use, disposal or reclassification of relevant assets. If the aforesaid assets are investment properties, the reversal of land occurs during disposal or reclassification and the reversal of other elements is spread over the use period. As of December 31, 2022 and 2021, the special surplus reserve for the first time was $157,505.

5. The Company's shareholders' meetings on June 17, 2022 and August 20, 2021 resolved the following earnings distributions for 2021 and 2020:

	2021		2020	
	Amount	Dividends per share (NT$)	Amount	Dividends per share (NT$)
Legal reserve	$ 36,310		$ 33,658	
Special reserve	27,317		9,848	
Cash dividends	116,023	$ 1.00	64,457	$ 0.50

6. On March 28, 2023, the Board of Directors of the Company passed a profit and loss appropriation bill for the year of 2022 and legally ordered the conversion of special surplus reserve amounting to $37,165.

   As of March 28, 2023, the aforesaid 2022 earnings distribution proposal has not been resolved by the shareholders' meeting. Please visit Market Observation Post System for information on the Board of Directors' approval and the shareholders' meetings' resolutions of earnings distributions.

(XIX) Operating income

	2022	2021
Revenue from Contracts with Customers	$ 3,068,065	$ 3,699,293

1. Breakdown of revenue from contracts with customers

   The Group generates revenues by offering products that are transferred at a point in time. Revenue breakdown by geography is as follows:

2022	Taiwan	China	Others	Total
Revenue from contracts with customers	$ 914,738	$ 2,084,171	$ 245,012	$ 3,243,921
Inter-segment revenue	-	(175,856)	-	(175,856)
Segment revenue	$ 914,738	$ 1,908,315	$ 245,012	$ 3,068,065

2021	Taiwan	China	Others	Total
Revenue from contracts with customers	$ 1,125,796	$ 2,490,288	$ 228,877	$ 3,844,961
Inter-segment revenue	-	(145,668)	-	(145,668)
Segment revenue	$ 1,125,796	$ 2,344,620	$ 228,877	$ 3,699,293

2. Contract liabilities

   The contract liabilities related to the Group's recognized revenue from contracts with customers are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Advances received	$ 14,984	$ 4,310	$ 3,386

3. The revenues recognized by the Group from the contract liabilities at the beginning of the period were $1,883and $2,627, respectively for 2022 and 2021.

(XX) Interest income

	2022	2021
Interest on bank deposits	$ 9,994	$ 14,208
Income from financial assets measured at amortized cost	3,837	617
	$ 13,831	$ 14,825

(XXI) Other income

	2022	2021
Rental income	$ 2,797	$ 3,168
Dividend income	10	5
Others	70,117	92,190
	$ 72,924	$ 95,363

(XXII) Other gains or losses

	2022	2021
Losses on disposal of property, plant and equipment	($ 14)	($ 3,468)
Net (loss) gain on foreign exchange	(13,353)	18,006
Net (loss) gain from financial assets at fair value through profit or loss	(59,392)	38,244
Miscellaneous expenses	(7,536)	(15,576)
	($ 80,295)	$ 37,206

(XXIII) Financial costs

	2022	2021
Interest expenses	$ 75,600	$ 47,541
Other financial expenses	81	58
	$ 75,681	$ 47,599

(XXIV) Additional information on nature of expenses

	2022	2021
Change in inventory of finished goods, goods in progress, raw materials and supplies	$ 1,177,282	$ 1,368,290
Employee benefit expense	707,825	675,696
Depreciation expense (including right-of-use assets)	276,435	260,927
Processing fees	261,040	318,332
Utility bills	233,472	220,461
Repair expenses	151,166	167,668
Commissions expense	50,752	55,466
Amortization	15,700	12,399
Expected credit impairment losses	28,898	4,056
Other expenses	278,732	215,424
Operating costs and operating expenses	$ 3,181,302	$ 3,298,719

(XXV) Employee benefit expense

	2022	2021
Salary expense	$ 570,988	$ 585,237
Labor and health insurance expense	43,973	32,182
Pension scheme	45,022	24,093

Other personnel expense	47,842	34,184
	$ 707,825	$ 675,696

1. According to the Company's Articles of Incorporation, if there is any remaining profit during the year after the offsetting of accumulated losses, no less than 1% should be allocated as employees' compensations and no more than 1% as directors' and supervisors' remunerations.
2. The estimated amount of employee compensation of the company in 2021 is $15,000; The estimated amount of directors' remuneration is $900 and the aforesaid amount is included in payroll expenses. Staff remuneration and directors' remuneration are not estimated for the year 2022 as it was a loss.

   The estimates for 2022 and 2021 were based on the profit up to and during the period and in reference to the percentage issued in prior years and the ratio specified in the Articles of Incorporation.

   The amount resolved by the Board of Directors for employees' compensations and directors' and supervisors' remunerations for 2021 is consistent with the amount recognized in the 2021 financial statements.

   Please visit Market Observation Post System for information on the bonuses to employees and remuneration of directors and supervisors approved by the Company's Board of Directors and resolved by shareholders' meetings.

(XXVI) Income tax

1. Income tax expense

(1) Components of income tax expense

	2022	2021
Income tax for the period		
Income tax on incomes during the period	$ 11,400	$ 36,147
Levy on undistributed earnings	9,172	11,431
Overvaluation of income tax in previous years	(6,939)	(1,504)
Total incomes during the period	13,633	46,074
Deferred tax		
Origination and reversal of temporary differences	(32,811)	67,311
Total deferred tax	(32,811)	67,311
Income tax (benefit) expense	($ 19,178)	$ 113,385

(2) Income tax related to other comprehensive income

	2022	2021
Remeasurement of defined benefit plan	$ 1,056	($ 378)

2. Relation between income tax expense and accounting profits

	2022	2021
Income tax calculated with the statutory tax rate on profit before tax	($ 75,081)	$ 129,252
Income exempt from taxes according to tax laws	11,973	(21,390)
Deferred income tax assets are not recognized for tax losses	46,797	1,625
Change in assessment of realizable deferred tax assets	(5,100)	(6,029)
Overvaluation of income tax in previous years	(6,939)	(1,504)
Levy on undistributed earnings	9,172	11,431
Income tax (benefit) expense	($ 19,178)	$ 113,385

3.Deferred tax assets or liabilities resulting from temporary differences and taxable losses are as follows:

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
-Temporary difference:				
Bad debt	$ 4,767	$ 132	$ -	$ 4,899
Inventory write-downs	6,428	359	-	6,787
Proceeds from disposal of property, plant and equipment differences	1,042	15	-	1,057
Remeasurement of defined benefit plan	6,253	-	(1,056)	5,197
Unrealized exchange loss	239	(74)	-	165
Payment for untaken leaves	1,793	83	-	1,876
Others	1,702	26	-	1,728
- Loss carryforwards	32,845	484	-	33,329
Subtotal	55,069	1,025	(1,056)	55,038
Deferred tax liabilities				
-Temporary difference:				
Accrued pension	(565)	(343)	-	(908)
Overseas investment gains accounted for under the equity method	(119,255)	32,129	-	(87,126)
Subtotal	(119,820)	31,786	-	(88,034)
	($ 64,751)	$32,811	($ 1,056)	($ 32,996)

2021

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
-Temporary difference:				
Bad debt	$ 7,387	($ 2,620)	$ -	$ 4,767
Inventory write-downs	2,851	3,577	-	6,428
Proceeds from disposal of property, plant and equipment differences	2,552	(1,510)	-	1,042
Remeasurement of defined benefit plan	5,875	-	378	6,253
Unrealized exchange loss	-	239	-	239
Payment for untaken leaves	1,712	81	-	1,793
Others	-	1,702	-	1,702
- Loss carryforwards	53,275	(20,430)	-	32,845
Subtotal	73,652	(18,961)	378	55,069
Deferred tax liabilities				
-Temporary difference:				
Accrued pension	(169)	(396)	-	(565)
Overseas investment gains accounted for under the equity method	(71,163)	(48,092)	-	(119,255)
Unrealized exchange gain	(138)	138	-	-
Subtotal	(71,470)	(48,350)	-	(119,820)
	$ 2,182	($ 67,311)	$ 378	($ 64,751)

4. The validity period of the taxable loss not yet utilized by the subsidiary and the amount of unrecognized deferred tax assets are as follows: (unit: RMB thousand)

Dec.31, 2022

Year of occurrence	Reported amount/assessed amount	Amount not yet deducted	Unrecognized deferred tax assets	Final deductible year
2015	$ 93,383	$ 24,179	$ -	114
2016	17,915	17,915	-	115
2021	1,497	1,497	1,497	120
2022	42,332	42,332	42,332	121

Dec.31, 2021

Year of occurrence	Reported amount/assessed amount	Amount not yet deducted	Unrecognized deferred tax assets	Final deductible year
2015	$ 93,383	$ 32,491	$ -	114
2016	17,915	17,915	-	115
2021	1,497	1,497	1,497	120

5. The tax authorities have assessed the income tax returns of the Company through 2020.

(XXVII) Earnings (loss) per share

2022	After-tax amount	Weighted average number of shares outstanding (1,000 shares)	Loss per share (NT$)
Basic and diluted loss per share			
Net income attributable to ordinary shareholders of the parent	($ 147,305)	114,245	($ 1.29)

2021	After-tax amount	Weighted average number of shares outstanding (1,000 shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 364,608	126,583	$ 2.88
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 364,608	126,583	
Effect of dilutive potential common stock - employee compensation	-	517	
Net income attributable to ordinary shareholders of the parent, plus effect of potential ordinary shares	$ 364,608	127,100	$ 2.87

(XXVIII) Additional information on cash flows

1. Investing activities paid only partially with cash

	2022	2021
Purchase of property, plant and equipment	$ 863,922	$ 2,009,054
Add: Equipment and engineering fees payable at the beginning of the period	1,121,295	188,559
Less: Equipment and engineering fees payable at the end of the period	(975,434)	(1,121,295)
Cash paid during the period	$ 1,009,783	$ 1,076,318

2. Financing activities without impact on cash flows

	2022	2021
Long-term due within one year	$ 364,738	$ 64,477

(XXIX) Change in the liability due to financing activities

2022

	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Total liabilities due to financing activities
January 1	$ 1,595,854	$ 210,500	$ 9,077	$ 4,122	$ 1,819,553
Movement in cash flows from financing activities	(248,781)	683,831	(864)	(3,910)	430,276
Effects of changes in foreign exchange rates	49,521	13,568	122	7	63,218
Other non-cash movements	-	-	-	6,320	6,320
December 31	$ 1,396,594	$ 907,899	$ 8,335	$ 6,539	$ 2,319,367

2021

	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Total liabilities due to financing activities
January 1	$ 853,814	$ 130,150	$ 7,406	$ 2,673	$ 994,043
Movement in cash flows from financing activities	753,636	81,429	1,719	(4,158)	832,626
Effects of changes in foreign exchange rates	(11,596)	(1,079)	(48)	(2)	(12,725)
Other non-cash movements	-	-	-	5,609	5,609
December 31	$ 1,595,854	$ 210,500	$ 9,077	$ 4,122	$ 1,819,553

Related party transaction

(I) Related party's name and relationship

Related party's name	Relationship with the Company
All directors, General Manager and senior management	The Group's senior management and governance units

(II) Major transactions with related parties

The counterparties of related party transactions within the group are included in the consolidated financial statements and all the related party transactions are canceled.

(III)Remuneration of key management personnel

	2022	2021
Short-term employee benefits	$ 14,517	$ 12,258
Post-employment benefits	35	22
	$ 14,552	$ 12,280

Pledged assets

The Group's assets provided as guarantees:

	Carrying amount		
Asset items	December 31, 2022	December 31, 2021	Purpose of guarantees
Financial assets measured at amortized cost - current	$ 230,325	$ 220,632	Loan guarantees
Other current assets			
Bank deposits - margin	-	6,844	Bill of exchange guarantee
Bank deposits - pledged time deposits	17,632	-	Loan guarantees
Property, Plant and Equipment	1,109,019	588,180	Loan guarantees
Right-of-use asset	24,492	25,004	Loan guarantees
Margin deposits (listed as other non-current assets)	74,022	20,851	Loan guarantee and performance bond
	$ 1,455,490	$ 861,511	

Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingency

None.

(II) Commitment

1. Capital expenditures signed but not yet incurred

	December 31, 2022	December 31, 2021
Property, Plant and Equipment	$ 1,149,283	$ 1,728,025

2. Letters of credit issued but not yet utilized

	December 31, 2022	December 31, 2021
Letters of credit issued but not yet utilized	$ 1,160	$ 1,728

3. Endorsements/guarantees

The guarantees provided by the Group to financial institutions are as follows:

	December 31, 2022	December 31, 2021
Plotech Technology (HK) Co., Ltd.	$ 61,420	$ 110,720
Plotech (Nantong) Microcircuit Technology Co., Ltd.	1,336,952	470,160
Plotech Technology (Kunshan) Co., Ltd.	732,622	466,320
	$ 2,130,994	$ 1,047,200

4. Please refer to Note 6 (10) for the details of the main contents of the investment agreement between Plotech Technology Kunshan and Rugao.

5. Please refer to Note 6 (10) for the details of the main contents of the three-party investment agreement between Plotech Technology Kunshan, Rugao and Gaokai.

Losses due to major disasters

None.

Significant Events

(I) The company's subsidiary, Plotech Technology Kunshan, completed the registration of capital reduction change on March 3, 2023, and the paid-up capital was reduced from RMB 331,000 to RMB 324,040 thousand.

(II) The company's subsidiary, Plotech Technology Nantong, signed a guaranteed loan contract with Shanghai Pudong Development Bank on March 9, 2023, with the loan amount of RMB 248,000 yuan. Plotech Technology Nantong provides plant and equipment as collateral, and its subsidiary, Plotech Technology Kunshan, as guarantor. As of March 28, 2023, RMB 200,000 has been used.

Others

(I) Capital risk management

1. The Group's capital management aims to ensure the Group's continued operation, lower the cost of capital by maintaining the optimal capital structure, and provide returns to shareholders. The Group maintains or adjusts the capital structure by adjusting dividends to shareholders or issuing new shares.

2. The Group refers to net debt to equity ratio in the monitoring of capital. The capital management strategy in 2022 was the same as in 2021. The Group's net debt to equity ratios as of December 31, 2022 and 2021 were as follows:

	December 31, 2022		December 31, 2021	
Total borrowings	$	2,304,493	$	1,806,354
Less: Cash and cash equivalents	(	650,831)	(	899,983)
Net debt		1,653,662		906,371
Total equity		2,527,881		2,804,611
Total capitalization	$	4,181,543	$	3,710,982
Debt to equity ratio	65.42%		32.32%	

(II) Financial instruments

1. Types of financial instruments

	December 31, 2022		December 31, 2021	
Financial assets				
Financial assets at fair value through profit or loss				
Financial assets designated at fair value through profit or loss	$	55,161	$	114,553
Financial assets measured at amortized cost				
Cash and cash equivalents	$	650,831	$	899,983
Financial assets measured at amortized cost - current		230,325		220,632
Notes receivable		55,483		13,786
Trade receivable		1,021,316		1,228,337
Other receivables		9,949		5,919
Refundable deposits		75,889		30,489
Other current assets		26,796		15,860
	$	2,070,589	$	2,415,006
Financial liability				
Financial liabilities measured at amortized cost				
Short-term borrowings	$	1,396,594	$	1,595,854
Notes payable		13,581		40,010
Accounts payable		457,596		428,014
Other accounts payable		1,451,596		1,597,098
Long-term loans (including those due within one year or one operating cycle)		907,899		210,500
Guarantee deposits received		8,335		9,077
	$	4,235,601	$	3,880,553
Lease liabilities	$	6,539	$	4,122

2. Risk management policy

(1) The Group's day-to-day operations are subject to a variety of financial risks, including market risks (e.g., exchange rate risks, interest rate risks and price risks), credit risks, and liquidity risks.

(2) Risk management is implemented by the Group's Financial Department in adherence to the policies approved by the Board of Directors. The Group's Financial Department works closely with individual operating units within the Group, to identify, assess and hedge financial risks. The Board of Directors has established in writing the principles of overall risk management, as well as the policies on scopes and issues such as exchange rate risks, interest rate risks, credit risks, derivative and non-derivative financial instruments and the investment of residual working capital.

3. Nature and degree of significant financial risks

(1) Market risks

Foreign currency risk

A. The Group operates in multiple countries and hence incurs currency risks resultant from the transactions in different functional currencies of the Company and subsidiaries, primarily the US dollars and the Chinese yuan. Relevant exchange rate risks come from future commercial transactions and already recognized assets and liabilities.

B. The Group's management has established the policy on its individual companies' management of currency risks in relation to their functional currencies. Each company's financial department should hedge the overall currency risks. Exchange rate risks are measured for highly probable and expected transactions to be paid in the US dollars and the Chinese yuan. The impact of exchange rate fluctuations on anticipated costs of inventory purchases is mitigated with forward contracts.

C. The Group is subject to the effects of exchange rate fluctuations as certain businesses involve non-functional currencies. (The New Taiwan dollars is the functional currency for the Company and some subsidiaries. The Chinese yuan is the functional currency of some subsidiaries.) The assets and the liabilities subject to effects of significant exchange rate fluctuations are as follows:

	December 31, 2022		
	Foreign currency (1,000)	Exchange rate	Carrying amount (NT$)
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 3,607	30.7100	$ 110,771
USD: RMB	6,706	6.9669	205,941
EUR : NTD	6	32.7200	196
RMB: NTD	1	4.4080	4
Financial liability			
Monetary items			
USD: NTD	14	30.7100	430
USD: RMB	11,285	6.9669	346,562
JPY: RMB	42,034	0.0527	9,811

December 31, 2021

	Foreign currency (1,000)	Exchange rate	
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 2,175	27.6800	$ 60,204
USD: RMB	4,539	6.3720	125,640
RMB: NTD	76,125	4.3440	330,687
Financial liability			
Monetary items			
USD: NTD	369	27.6800	10,214
USD: RMB	18,325	6.3720	507,236
JPY: RMB	58,920	0.0554	14,189

D. The total gains (losses), including realized and unrealized, recognized for 2022 and 2021 due to significant influence of exchange rate fluctuations on the Group's monetary items totaled $(13,353) and $18,006, respectively.

E. The Group's exchange rate risks due to significant currency movements are analyzed below:

	2022		
	Sensitivity analysis		
	Change %	Impact on profit or loss	Effect on other comprehensive profit and loss
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	1%	$ 1,108	$ -
USD: RMB	1%	2,059	-
EUR : NTD	1%	2	-
RMB: NTD	1%	0	-
Financial liability			
Monetary items			
USD: NTD	1%	4	-
USD: RMB	1%	3,466	-
JPY: RMB	1%	98	-

		2021	
		Sensitivity analysis	
	Change %	Impact on profit or loss	Effect on other comprehensive profit and loss
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	1%	$ 602	$ -
USD: RMB	1%	1,256	-
RMB: NTD	1%	3,307	-
Financial liability			
Monetary items			
USD: NTD	1%	102	-
USD: RMB	1%	5,072	-
JPY: RMB	1%	142	-

Price risk

A. The equity instruments held by the Group and exposed to price risks are recognized as financial assets measured at fair value through profit or loss. To manage the price risks of equity instruments, the Group diversifies the investment portfolio according to the limit determined by the Group.

B. The Group primarily invests in equity instruments issued by domestic companies. The prices of such equity instruments are subject to the uncertainty of future values of the underlying. All else being equal, if the price of such equity instruments had gone up or down by 1%, the net incomes would have increased or decreased by $55and $1,146 in 2022 and 2021, respectively, due to gain or loss on equity instruments measured at fair value through profit or loss.

Cash flows, fair values and interest rate risks

A. The Group's interest rate risks mainly come from the long-term borrowings on floating interest rates. This exposes the Group's cash flows to interest rate risks. Loans on fixed interest rates exposed the Group to fair value interest rate risks. The Group primarily borrowed in the USD and RMB on floating interest rates in 2022 and 2021.

B. All else being equal, an increase by 0.1% in the borrowing rate in the USD would have reduced the net incomes by $32 and $42, respectively, for the years 2022 and 2021 ended on December 31, primarily due to change of the floating interest rate and hence interest expenses.

C. All else being equal, an increase by 0.1% in the borrowing rate in the RMB would have reduced the net incomes by $1,582 and $0, respectively, for the years 2022 and 2021 ended on December 31, primarily due to change of the floating interest rate and hence interest expenses.

(2) Credit risks

A. The Group's credit risks occur if customers or counterparties of financial instruments cannot fulfill contractual obligations and the Group suffers financial losses as a result. This primarily comes from accounts receivable that the counterparties are unable to pay according to payment terms.

B. The Group manages credit risks from the group's perspective. Only the banks and the financial institutions with credit ratings assigned by independent agencies can be accepted as transaction counterparties. According to the internal credit policy, each of the Group's operating unit must manage and analyze credit risks before determining the terms and conditions of payments and deliveries for each new customer. As part of internal risk control, the credit quality of customers is assessed in reference to financial statuses, past experiences and other factors. The limit on individual risks is determined by the Board of Directors according to internal or external ratings. The use of credit limits is regularly monitored.

C. The Group adopts IFRS 9 with the following assumptions as the basis for determining whether the credit risks of financial instruments have significantly increased after initial recognition.

If the payments required by contracts are overdue for more than 30 days, it is considered that the credit risks of financial assets have significantly increased after initial recognition.

D. The adopts IFRS 9 with the assumptions that defaults are deemed to have occurred if the payments required by contracts are overdue for more than 90 days.

E. The Group adopts the simplified method for the provision matrix of accounts receivable based on customers' ratings and the estimated credit loss.

F. After the collection procedures, the Group write offs the financial assets that cannot be reasonable expected to be recoverable. However, the Group continues with the legal procedures for collection to protect its rights as the creditor.

G. The Group incorporates forward-looking considerations in the adjustment of loss rates established according to historical data of specific periods and current information, in order to estimate the allowance for bad debts of accounts receivable. The provision matrixes as of December 31, 2022 and 2021 are as follows:

	Not overdue	Overdue for less than 30 days	Overdue for 31 to 90 days	Overdue for 91 to 120 days	Overdue for more than 121 days	Total
December 31, 2022						
Expected loss rate	0.00%~1.08%	3.09%~43.20%	15.89%~67.61%	74.34%~89.29%	100.00%	
Carrying amount - total	$ 1,009,281	$ 13,562	$ 12,135	$ 3,454	$ 29,523	$1,067,955
Allowance for bad debts	$ 3,909	$ 4,439	$ 5,850	$ 2,918	$ 29,523	$ 46,639

	Not overdue	Overdue for less than 30 days	Overdue for 31 to 90 days	Overdue for 91 to 120 days	Overdue for more than 121 days	Total
December 31, 2021						
Expected loss rate	0.03%~1.08%	3.09%~22.20%	15.89%~51.59%	74.34%~94.00%	100.00%	
Carrying amount - total	$ 1,214,046	$ 12,922	$ 12,848	$ 1,067	$ 5,069	$1,245,952
Allowance for bad debts	$ 5,913	$ 1,378	$ 4,252	$ 1,003	$ 5,069	$ 17,615

H. The Group adopts the simplified method for changes in allowance for bad debts of accounts receivable as shown in the table below:

	2022 Accounts receivable
January 1	$ 17,615
Impairment loss	28,898
Write-off due to non-recoverability	(90)
Exchange rate effects	216
December 31	$ 46,639

	2021 Accounts receivable
January 1	$ 23,009
Impairment loss	4,056
Write-off due to non-recoverability	(10,107)
Exchange rate effects	657
December 31	$ 17,615

Among the losses recognized for 2022 and 2021, the impairment of receivables from customer contracts totaled $28,898 and $4,056, respectively.

(3) Liquidity risk

A. Cash flow projections are performed by each operating unit within the Group and then consolidated by the Group's Financial Department. The Group's Financial Department monitors the forecasts for the Group's working capital requirements, in order to ensure adequate capital to fund operations and maintain sufficient and available credit facilities at all time. This is to prevent the Group from violating relevant loan covenants or clauses. Such forecasts take into account the Group's debt financing plan, compliance with debt covenants and adherence to the target financial ratios for the balance sheet.

B. The excess cash held by each operating unit above the requirement of working capital shall be transferred back to the Group's Department of Finance. The Group's Department of Finance invests excess cash in interest-bearing demand deposits, fixed-term deposits, money market deposits and marketable securities. The instruments chosen have appropriate maturity dates or sufficient liquidity, to meet the aforesaid forecasts and provide adequate working capital capacity. The money market positions held by the Company totaled $650,831 and $899,983 as of December 31, 2022 and 2021, respectively. This was expected to generate immediate cash flows to manage liquidity risks.

C. The Group's unutilized credit facilities are detailed below:

	December 31, 2022		December 31, 2021	
Floating interest rate				
Due within one year	$	339,288	$	299,667
Due more than one year		15,212		-
Fixed interest rate				
Due within one year		645,760		577,840
Due more than one year		-		47,784
	$	1,000,260	$	925,291

D. The Group analyzes its non-derivative financial liabilities based on the time from the balance sheet date to contract expiry dates and its derivative financial liabilities based on the fair value on the balance sheet date.

The undiscounted contracted cash flows are approximately equal to carrying amounts for notes payable, accounts payable and other payables due within one year. The undiscounted contracted cash flows of other financial liabilities are detailed in the table below:

Dec.31, 2022

Non-derivative financial liability	Within 1 year	Within 1 to 2 years	>2 years
Short-term borrowings	$ 1,423,209	$ -	$ -
Lease liabilities	2,977	3,733	-
Long-term loans (including those due within one year or one operating cycle)	410,096	467,153	113,587
Other non-current liabilities	-	-	8,335

December 31, 2021

Non-derivative financial liability	Within 1 year	Within 1 to 2 years	>2 years
Short-term borrowings	$ 1,618,850	$ -	$ -
Lease liabilities	2,463	1,748	-
Long-term loans (including those due within one year or one operating cycle)	76,354	88,858	66,628
Other non-current liabilities	-	-	9,077

The Group does not expect the cashflows in the maturity analysis will be significantly ahead of schedule or different from actual amounts.

(III) Information on fair value

1. The hierarchy of valuation techniques for the measurement of fair values of financial and non-financial instruments are defined below.

Level 1: Quoted prices (unadjusted) in active markets on measurement date for available and same assets or liabilities. Active markets refer to the markets where the transactions of assets or liabilities occur at adequate frequencies and volumes and pricing information is provided continuously. All the fair values of the TWSE/TPEx listed shares that the Company invests in fall into this category.

Level 2: Input values for assets or liabilities are directly or indirectly observable (excluding quoted markets included for Level 1).

Level 3: Input values for assets or liabilities are not observable. All of the equity instruments that the Group invests in without active markets fall into this category.

2. Financial instruments that are not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits, notes payable, accounts receivable, other payables and lease liabilities (including current and non-current) are reasonable approximations of fair values.

3. The Group measures the fair values of financial and non-financial instruments according to the nature, characteristics and risks of assets and liabilities and the hierarchy of fair values as follows:

(1) The classification of the Group's assets by nature is as follows:

Dec.31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 111	$ -	$ 55,050	$ 55,161

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 103	$ -	$ 114,450	$ 114,553

(2) The methods and the assumptions the Group uses to measure fair values are as follows:

A. The classification by nature of the instruments measured by the Group with market quoted prices (i.e., Level 1) is as follows:

	TWSE/TPEx listed shares
Quoted market prices	Closing market price

B. Except those financial instruments mentioned above with active markets, the fair values of other financial instruments are derived with valuation techniques or in reference to prices quoted by transaction counterparties. The current fair values of other financial instruments substantially similar in conditions and characteristics; discounted cash flow method or other valuation techniques (including modeling and calculation of available market information on the consolidated balance sheet date) can serve as references to the fair values obtained with valuation techniques.

4. There was no transfer between Level 1 and Level 2 in 2022 or 2021.

5. The changes in Level 3 in 2022 and 2021 are shown below:

	2022 Equity instruments
January 1	$ 114,450
Gains or losses recognized in profit and loss	
Account for non-operating income and expenses	(59,400)
December 31	$ 55,050

	2021 Equity instruments
January 1	$ 76,200
Gains or losses recognized in profit and loss	
Account for non-operating income and expenses	38,250
December 31	$ 114,450

6. There was no transfer into or out of Level 3 in 2022 or 2021.

7. The Group's Financial Department is responsible for independent validation of fair values of financial instruments derived with Level 3 valuation procedures. Independently sourced data aligns the valuation results to the market conditions. Data sources should be independent, reliable and consistent with other resources and representative of executable prices. Required inputs must be updated periodically. Data and any other necessary fair values should be adjusted to ensure the reasonableness of valuation results.

8. The sensitive analysis of the quantitative information on significant unobservable inputs and change of significant unobservable inputs for measurement items in Level 3 fair value valuation models is explained below:

	Fair value on December 31, 2022	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relation between inputs and fair values
Non-derivative equity instruments:					
Non TWSE/TPEx listed shares	$ 55,050	Comparable TWSE/TPEx listed companies	Price-to-book multiples and liquidity discount of comparable companies	-	The higher the price-to-book ratio of the analogous company, the higher the fair value; The higher the liquidity discount not traded in the open market, the lower the fair value

	Fair value on December 31, 2021	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relation between inputs and fair values
Non-derivative equity instruments:					

Non TWSE/TPEx listed shares	$ 114,450	Comparable TWSE/TPEx listed companies	Price-to-book multiples and liquidity discount of comparable companies	-	The higher of the price-to-book multiple of comparable companies, the higher the fair value. The higher the liquidity discount due to a lack of open market transactions, the lower the fair value.

9. The Group carefully assesses the valuation models and valuation parameters it chooses to adopt. However, the use of different valuation models or valuation parameters may result different valuation results. As far as the financial assets and financial liabilities classified as Level 3 are concerned, an increase or decrease of price-to-book multiples or market liquidity discount by 0.1% would have no significant influence on the profit or loss for the years 2022 and 2021 ended on December 31.

(IV) Other Matters

As of December 31, 2022, the Group's operations have not been significantly affected by the pandemic and the numerous government anti-COVID measures. To prevent COVID-19 from disrupting the operations, countermeasures have been put in place and ongoing management is implemented.

Other Disclosures

(I) Information on major transactions

1. Lending to others: Please refer to Table 1.

2. Endorsements/guarantees provided for other parties: Please refer to Table 2.

Marketable securities held at the end of the period (excluding investment in subsidiaries, associates and jointly controlled entities). Please refer to Table 3.

4. Purchase or sale of the same marketable security for an accumulated total of NT$300 million or higher or equivalent to at least 20% of paid-in capital: none.

5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: none.

6. Disposal of real estate at least NT$300 million or 20% of the paid-in capital: none.

7. Purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 5.

9. Trading of derivative instruments: none.

10. Business relations, significant transactions and amounts between the parent and subsidiaries and between subsidiaries: Please refer to Table 6.

(II) Information on Investees

For the information related to the reinvestment business, except for the profit and loss of the current period, which is converted at the average exchange rate of each month in 2022, the rest are converted at the exchange rate of December 31, 2022.

Names and locations of investees, etc. (excluding investees in China): Please refer to Table 7.

(III) Information on Investment in Mainland China

1. Basic data: Please refer to Table 8.

2. Major transactions with investees in China directly invested or indirectly invested via a third jurisdiction: Please refer to Table 9.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 10.

Segment information

(I) General Information

The Group is solely engaged in the manufacturing and marketing of printed circuit boards and the Board of Directors assesses performance and allocates resources for the Group as a whole. Hence, the Group is deemed to be a single reporting segment.

(II) Measurement of segment information

The Group's Board of Directors evaluates the operating performance based on profit or loss before tax.

(III) Segment profit or loss, assets and liabilities

Segment information to be provided to key decision-makers

	2022	2021
External revenue	$ 3,243,921	$ 3,844,961
Inter-segment revenue	(175,856)	(145,668)
Segment revenue	$ 3,068,065	$ 3,699,293
Profit before tax	($ 182,458)	$ 500,369

	December 31, 2022	December 31, 2021
Segment assets and liabilities		
Total segment assets	$ 6,898,009	$ 6,889,079
Total segment liabilities	$ 4,370,128	$ 4,084,468

(IV) Adjustment to segment profit or loss

The Group is operating in a single industry, evaluating performance and allocating resources within the Group as a whole. Hence, the Group is deemed as a single reporting segment and no adjustment is required.

(V) Information on products

The information on the Group by product in 2022 and 2021 is as follows:

	2022	2021
Printed circuit boards	$ 3,068,065	$ 3,699,293

(VI) Information by regions

The information on the Group by region in 2022 and 2021 is as follows:

	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 914,738	$ 343,578	$ 1,125,796	$ 335,868
China	1,908,315	4,122,728	2,344,620	3,465,222
America	52,917	-	72,804	-
Southeast Asia	86,607	-	65,140	-
Other	105,488	-	90,933	-
Total	$ 3,068,065	$ 4,466,306	$ 3,699,293	$ 3,801,090

Note: Non-current assets exclude financial assets and deferred tax assets.

(VII) Information on key customers

Details of customers whose sales revenue accounted for more than 10% of the sales amount in the consolidated total income statement in 2022 and 2021 are as follows:

	2022		2021	
	Amount	%	Amount	%
Customer G	$ 966,896	32	$ 1,092,447	30
Customer H	349,457	11	411,316	11

Plotech Technology Co., Ltd. and subsidiaries
Lending to others
January 1 to December 31, 2022

Table 1

Unit: Amounts expressed in thousands of New Taiwan (unless otherwise specified)

No. (Note 1)	Borrower	Borrower	Business dealings	Related party or not	Maximum balance during the period	Ending balance	Amount utilized	Range of interest rates (%)	Nature of lending	Amount of business dealings	Reason for necessity of short-term financing	Allowance for bad debts	Collateral Name	Collateral Value	Limit on lending to a single borrower (Notes 2, 3, 4 & 5)	Limit on total lending (Notes 2, 3, 4 & 5)	Remarks
0	Plotech Technology Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	Other receivables from related parties	Y	$ 132,240	$ 132,240	$ 132,240	4%	Short-term financing	$ -	Operating cycle	$ -	None	$ -	$ 235,147	$ 940,586	
1	Plotech Technology (HK) Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	Other receivables from related parties	Y	$ 228,300	$ -	$ -	-	Business dealings	$ -	Operating cycle	$ -	None	$ -	$ 228,300	$ 228,300	

Note 1: explanations for numbered columns
(1) "0" for the issuer
(2) Investees numbered from 1 and so forth
Note 2: According to the Company's Operating Procedures of Lending to Other Parties, the total limit of lending may not exceed 40% of the Company's net value. If necessary for short-term financing between companies and firms, the total amount of lending to others may not exceed 20% the Company's net value. However, this limit is not applicable to short-term financing for business needs to the companies over 50% owned by the Company.
Note 3: According to the Company's Operating Procedures of Lending to Other Parties, the lending to a company or firm the Company has business relations with shall not exceed the amount of business dealings between both parties. The amount of business dealings refers to the higher of sales or purchases between
Note 4: According to the Company's Operating Procedures of Lending to Other Parties, the individual lending to the companies or firms with the need for short-term financing may not exceed 10% of the Company's net value.
Note 5: According to the Company's Operating Procedures of Lending to Other Parties, either the individual lending or the total lending to any company at least 50% owned by the Company for necessary short-term business financing shall not exceed 40% of the Company's net value.

Plotech Technology Co., Ltd. and subsidiaries

Endorsements/guarantees provided

January 1 to December 31, 2022

Table 2

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

No. (Note 1)	Endorsement/guarantee provider	Endorsed/guranteed party: Company Name	Endorsed/guranteed party: Relationship (Note 2)	on endorsement/guarantee amount to a single c (Note 3)	lorsed/guaranteed balance du (Note 4)	ment/guarantee balance at the end of th (Note 5)	Amount utilized (Note6)	endorsements/ guarantees collateralized l	guarantees as % of net value of the m	t of endorsements/guaran	rovided by parent comp	ovided by subsidiaries	Guarantees provided in Mainland China (Note 7)	Remarks
0	Plotech Technology Co., Ltd.	Plotech Technology (HK) Co., Ltd.	2	$ 2,351,466	$ 121,760	$ 61,420	-	$ -	2.61	$ 2,351,466	Y	N	N	
0	Plotech Technology Co., Ltd.	Plotech (Nantong) Microcircuit Technology Co., I	2	2,351,466	48,330	46,065	32,246	-	1.96	2,351,466	Y	N	Y	
0	Plotech Technology Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	2	2,351,466	193,320	184,260	122,840	-	7.84	2,351,466	Y	N	Y	
1	PLOTECH (BVI) CO.,LTD	Plotech Technology (Kunshan) Co., Ltd.	2	895,484	96,660	92,130	-	-	5.14	895,484	N	N	Y	
2	PLOTECH (CAYMAN) CO.,LTD	Plotech (Nantong) Microcircuit Technology Co., I	2	838,282	144,990	138,195	138,195	-	8.24	838,282	N	N	Y	
3	Plotech Technology (Kunshan) Co.,	Plotech (Nantong) Microcircuit Technology Co., I	2	5,327,714	1,152,692	1,152,692	651,569	-	10.82	5,327,714	N	N	Y	
4	Plotech (Nantong) Microcircuit Tecl	Plotech Technology (Kunshan) Co., Ltd.	3	564,671	447,300	440,800	130,918	-	39.03	564,671	N	N	Y	
5	Plotech Technology (HK) Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	3	42,579	16,191	15,432	15,432	-	18.12	42,579	N	N	Y	

Note 1: explanations for numbered columns
(1) "0" for the issuer
(2) Investees numbered from 1 and so forth

Note 2: Please indicate one of the following seven types of relations between the endorser/guarantor and the endorsed/guaranteed:
(1) Companies with business dealings.
(2) Companies whose shares presenting least 50% voting rights are owned directly or indirectly by the Company.
(3) Companies who directly and indirectly own at least 50% of the Company's voting rights.
(4) Companies whose shares representing at least 90% voting rights are directly or indirectly owned by the Company.
(5) Companies who provide guarantees to each other in the same industry or as applicants under contractual terms due to joint undertakings of engineering works.
(6) Endorsements/guarantees provided pro-rata as shareholders in a joint investment.
(7) Joint guarantees between companies in the same industry in accordance with the Consumer Protection Act to ensure contract performance for sale of off-plan properties.

Note 3: Endorsement guarantee procedures are as follows:
(1) The total amount of endorsement guarantee of the Company shall be limited to 100% of net value, and the endorsement guarantee of a single enterprise shall not exceed 100% of net value.
(2) The total amount of endorsement guarantee by the Company and its subsidiaries shall not exceed 200% of the company's current net value, and the total amount of endorsement guarantee for a single enterprise shall not exceed 200% of the company's current net value.
(3) The total amount of endorsement guarantee of Plotech Technology (Kunshan) Co., LTD., a subsidiary of the company, shall be limited to 300% of net value, and the endorsement guarantee of a single enterprise shall not exceed 300% of net value.
(4) The total amount of endorsement guarantee of the company's subsidiaries (except subsidiary Plotech Technology (Kunshan)) shall be limited to 50% of the net value, and the endorsement guarantee of a single enterprise shall not exceed 50% of the net value.

Note 4: Maximum balance of endorsements/guarantees provided during the year.

Note 5: The amount approved by the Board of Directors. However, if the Board of Directors has authorized Chairman to decide in accordance with Paragraph 8 of Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount herein refers to the amount determined by Chairman.

Note 6: Please enter the amount actually utilized by the endorsed/guaranteed within the limit of endorsement/guarantee.

Note 7: Please enter "Y" for a TWSE/TPEx listed parent providing endorsements/guarantees to subsidiaries, for subsidiaries providing endorsements/guarantees to a TWSE/TPEx listed parent or for endorsements/guarantees in China.

Plotech Technology Co., Ltd. and subsidiaries

Marketable securities held at the end of the period (excluding investment in subsidiaries, associates and jointly controlled entities)

December 31, 2022

Table 3

ınts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

Holding company name	Marketable securities types and name (Note 1)	Relationship with the issuers	Financial statement account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
Plotech Technology Co., Ltd.	Transcend Information, Inc.	None	Financial assets at fair value through profit or loss - current	1,675	$ 111	-	$ 111	
Plotech Technology Co., Ltd.	Sustainable Development Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,500,000	55,050	3.83%	55,050	

Note 1: Marketable securities in this table refer to shares, bonds, beneficiary certificates and others within the scope of IFRS 9 “Financial Instruments."

Plotech Technology Co., Ltd. and subsidiaries

Sales/purchases with related parties reach NT$100 million or at least 20% of the paid-up capital

January 1 to December 31, 2022

Table 4

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

			Transaction Details				from an arm's length and		Note/Accounts Receivable (Payable)		
Buyer/Seller	Name of counterparty	Relationship	(sales)	Amount	purchases (sales)	Credit period	Unit price	Credit period	Balance	% of total notes and accounts receivable (payable)	Remarks
Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	Its subsidiary	(sales)	($ 130,643)	(5.93)	Note 1	Note 1	Note 1	$ 16,260	2.01	
Plotech Technology (HK) Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	Its parent company	Purchase	130,643	100.00	Note 1	Note 1	Note 1	(16,260)	(98.09)	

Note 1: Sales and purchases are made without price differentiation. Collections and payments depend on funding situations.

Plotech Technology Co., Ltd. and subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: none.

December 31, 2022

Table 5

Unit: Amounts expressed in thousands of New Taiwan Dollars (unless otherwise specified)

Companies with accounts receivable	Name of counterparty	Relationship	Other receivables from related parties	Rate of turnover	parties		Amount recovered after the payment period receivable from related parties	Allowance for bad debts
					Amount	Method of handling		
Plotech Technology Co., Ltd.	Plotech Technology (Kunshan)	Its subsidiary	$ 132,803 (Note)	Not applicable.	$ -	Not applicable	$ -	$ -

Note: Balance of funds loaned between

Plotech Technology Co., Ltd. and subsidiaries

Business relationships and significant transactions between the parent and the subsidiaries and between subsidiaries

January 1 to December 31, 2022

Table 6

Unit: Amounts expressed in thousands of New Taiwan Dollars (unless otherwise specified)

No. (Note 1)	Name	Transaction party	Relation with the	Transaction status: Item	Transaction status: Amount	Transaction status: Transaction	Transaction status: Percentage of consolidated total revenues or total assets (Note 3)
0	Plotech Technology Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	1	Other receivables	$ 132,803	Note 5	1.93
0	Plotech Technology Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	1	Interest income	563	Note 5	0.02
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	1	Trade receivable	16,260	Note 4	0.24
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	1	Revenue	130,643	Note 4	4.26
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	1	Other payables	5,167	Note 6	0.07
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	1	Other expenses	10,494	Note 6	0.34
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology Co., Ltd.	1	Revenue	18,897	Note 4	0.62
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology Co., Ltd.	1	Other payables	22,626	Note 7	0.33
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology Co., Ltd.	1	Other expenses	14,925	Note 8	0.49

Note 1: Please provide the business dealings between the parent and subsidiaries in the numbers column in the following method:
(1) ”0” for the parent.
(2) Subsidiaries numbered from 1 and so forth.

Note 2: Please indicate one of following three types of transactions with related parties. (No need for repeated disclosure for the same transaction between the parent and a subsidiary or between subsidiaries.) For example, if the parent cor
For transactions between subsidiaries, if one subsidiary has disclosed it, the other subsidiary does not need to disclose it repeatedly) :
(1) Parent company to subsidiaries
(2) Subsidiaries to parent company
(3) Subsidiaries to subsidiaries

Note 3: The amount of business dealings as a percentage of total consolidated revenues or total consolidated assets is calculated as follows. If it is an asset and liability item, it is calculated with the total consolidated assets at the end of the

Note 4: Sales are made without price differentiation. Collections and payments after completion of sale depend on funding situations.

Note 5: Lending and borrowing among subsidiaries, at an annual interest rate of 4%.

Note 6: The consultation fees charged by the parent to a subsidiary.

Note 7: Advanced payments with related parties.

Note 8: Primarily for sharing of equipment utilization expenses among subsidiaries.

Plotech Technology Co., Ltd. and subsidiaries

Names and locations of investees (excluding those in China)

January 1 to December 31, 2022

Table 7

expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

				Original investment amount		Holding at the end of the period					
Name of investing company	Investee	Location	Main business	End of the period	End of last year	Number of shares	%	Carrying amount	Profit or loss of	Recognized	Remarks
Plotech Technology Co., Ltd.	PLOTECH (BVI) CO., LTD.	The British Virgin Islands	Investees	$ 1,104,774	$ 1,104,774	29,560,000	100.00	$ 1,790,968	($ 160,645)	($ 160,645)	
PLOTECH (BVI) CO., LTD.	PLOTECH (CAYMAN) CO.,LTD.	Cayman Islands	Investees	1,049,875	1,049,875	32,967,400	100.00	1,676,563	(162,391)	-	
Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	Hong Kong	Marketing of printed circuit boards	90,417	90,417	-	100.00	85,158	689	-	

Plotech Technology Co., Ltd. and subsidiaries

Investments in China－basic data

January 1 to December 31, 2022

Table 8

t: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

Name of Investee	Main business	Paid-in capital	method (Note 1)	Accumulated investment from Taiwan at the beginning of the	Outward remittance or repatriation during the period: Outward remittance	Outward remittance or repatriation during the period: Recovery	Accumulated investment from Taiwan at the end of the period	Recognized investment gain or loss for the period: Profit or loss of	Recognized investment gain or loss for the period: Shareholding	Recognized investment gain or loss for the period: (Note 2)	Recognized investment gain or loss for the period: Carrying amount	Investment returns	Remarks
Plotech Technology	Production and sales of printed	$ 1,459,048	1	$ 860,826	$ -	$ -	$ 860,826	($ 174,586)	90.85	($ 158,611)	$ 1,599,484	$ -	Notes 2 & 3
Plotech (Nantong) Microcircuit	Production and sales of printed	1,322,400	3	-	-	-	-	(187,187)	90.85	(170,059)	1,026,006	-	Notes 2 & 4

Company Name	outward investments from Taiwan to China	Investment amount approved by Investment	investments in China according to the stipulations
Plotech	$ 860,826	$ 542,319	$ 1,516,729

Note 1: Please indicate one of the following three investment routes:

(1) Investment to a company in China by setting up an entity in the third jurisdiction

(2) Investment to a company in China via an existing entity in the third jurisdiction

(3) Investment to a company in China via an existing entity in China

Note 2: Recognized investment gain or loss for the period is based on the valuation and disclosure by the parent's audited financial statements.

Note 3: PLORECH(CAYMAN) CO., LTD was established through the third Region investment. Reinvest in the mainland.

Note 4: It invested in the third region to establish Plotech Technology (Kunshan) Co., LTD., and reinvested in mainland China.

Plotech Technology Co., Ltd. and subsidiaries

Information on investments in China－Significant transactions directly or indirectly via an entity in the third jurisdiction with an investee in China

January 1 to December 31, 2022

Table 9

ıounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

	Sales (purchases)		transaction		receivable		tes endorsed/guaranteed or collaterals provic		Financing				
China	Amount	%	Amount	%	Balance	%	Ending balance	Objective	balance during	Ending balance	interest rates	Interest during the period	Others
Plotech Technology (Kunshan) Co., Ltd.	$ -	-	$ -	-	$ -	-	$ 184,260	Limit of bank facilities	$ 132,240	$ 132,240	4%	$ 563	
Plotech (Nantong) Microcircuit Technology Co., Ltd.	-	-	-	-	-	-	46,065	Limit of bank facilities	-	-	-	-	

Plotech Technology Co., Ltd. and subsidiaries

Information on Major Shareholders

December 31, 2022

Table 10

	Shares	
Name of major shareholder	No. of shares held	Shareholding percentage
Hsueh-Chieh Investment Co., Ltd.	10,891,737	9.52%
Lee Chi-Liang	8,671,246	7.58%
Chi Wu Investment Co., Ltd.	12,479,300	10.91%

(2023) Financial-Review-Report No. 22004662

To Plotech Technology Co., Ltd.

Audit opinions

We have audited the accompanying unconsolidated balance sheet of Plotech Technology Co., Ltd. as of December 31, 2022 and 2021, unconsolidated comprehensive income statement, unconsolidated statement of changes in equity and unconsolidated statement of cashflows from January 1 to December 31, 2022 and 2021 and the notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and present fairly, in all material respects, the unconsolidated financial position of Plotech Technology Co., Ltd. as of December 31, 2022 and 2021 and its unconsolidated financial performance and unconsolidated cash flows from January 1 to December 31, 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements. The auditors of the firm, subject to the independence regulations, have maintained independence from Plotech Technology Co., Ltd. in accordance with the Code of Professional Ethics for certified public accountants in the R.O.C. and performed other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters, in our professional judgment, most significance in our audit of the unconsolidated financial statements of Plotech Technology Co., Ltd. for 2022. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the unconsolidated financial statements of Plotech Technology Co., Ltd. for 2022 are stated as follows:

Inventory valuation

Explanations

Please refer to Note 4 (11) to the unconsolidated financial statements for the accounting policy on inventory valuation and to Note 5 (2) for the accounting estimates for inventory valuation and to uncertainties with assumptions. Please refer to Note 6 (4) to the unconsolidated financial statements for explanations on accounting items of inventory. The inventory and the allowance for inventory write-down as of December 31, 2022 were NT$68,535 thousand and NT$13,460 thousand, respectively.

Plotech Technology Co., Ltd. manufactures and markets printed circuit boards and related products. Due to rapid evolution of technologies over recent years, oversupply may occur in a down cycle. This combined with fierce market competition causes rapid price changes and results in high risks of inventory write-downs or obsolescence. Plotech Technology Co., Ltd. measures inventory at the lower of cost or net realizable value. Losses on inventory over a certain age and individually identified as obsolete are recognized according to net realizable value. As the inventory evaluation amount has a significant impact on the financial statements and the aforementioned matters also exist in the subsidiaries held by

Bocheng Technology Co., LTD. (the equity method of investment is listed in the table), the accountant lists the inventory evaluation as one of the most important matters for inspection.

Audit procedures

We have performed the following procedures regarding the certain aspects of the aforesaid key audit matters:

1. Understanding of inventory management flows, examination of annual inventory inspection plans and involvement in annual inventory inspections, to assess the management's effectiveness in identifying and the management of obsolete inventory.
2. Validation of the appropriateness of the logics behind the inventory age system for valuation, to ensure the consistency between reported information and the policies.
3. Testing of the carrying amount of the inventory at the end of the period, random inspections and confirmation of the selling prices and sale expense ratios and the accuracy of net realizable values.

Existence of sales

Explanations

Please refer to Notes 4 (24) of the unconsolidated financial statements for the accounting policy on revenue recognition. The revenue in 2022 was NT$884,652 thousand. Please refer to Note 6 (15) of the unconsolidated financial statements for accounting entries of revenues.

Plotech Technology Co., Ltd. manufactures and markets printed circuit boards and related products. Most customers are well-known companies with long-term and stable cooperation. Due to the fierce industry competition, Plotech Technology Co., Ltd. continues to develop clientele and expand market shares. The top ten customers account for a significant percentage of total sales. Therefore, the existence of sales to the top ten customers is highly influential to the unconsolidated financial statements of Plotech Technology Co., Ltd. The aforementioned also existed at the same time as the subsidiaries held by Plotech Technology Co., Ltd. (listed as investments under the equity method). Hence, the existence of sales was listed as one of the most important audit matters.

Audit procedures

We have performed the following procedures regarding the certain aspects of the aforesaid key audit matters:

1. Understanding and testing of the credit review procedures with major transaction counterparties; confirmation of appropriate approvals for the addition of major transaction counterparties; learning about and assessment of the new top ten customers; and review of relevant industry information.
2. Obtaining and spot checking of sale details and transaction vouchers with top ten customers.
3. Obtaining and spot checking of payment collection details and transaction vouchers with top ten customers.
4. Issuing letters to confirm accounts receivable from top ten new customers.

Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for the maintenance of internal control necessary to ensure the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes evaluating the ability of Baicheng Technology Co., Ltd. to continue as a going concern, the disclosure of relevant matters, and the adoption of the accounting basis for going concern, unless management intends to liquidate Baicheng Technology Co., Ltd. or to cease business, or there is no practical alternative to liquidation or cessation of business.

Those charged with governance, (including the Audit Committee) are responsible for overseeing Plotech Technology Co., Ltd.'s financial reporting workflow.

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

Our objectives in the audit of unconsolidated financial statements are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance. However, there is no guarantee that an audit conducted in accordance with the auditing standards in the R.O.C. will always detect a material misstatement in unconsolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual or the aggregate amount could be reasonably expected to influence the economic decisions by users of unconsolidated financial statements.

As part of an audit in accordance with the auditing standards in the R.O.C., we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error; design and adopt appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control of Plotech Technology Co., Ltd.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting according to the audit evidence obtained and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Plotech Technology Co., Ltd. to continue as a going concern. If we believe that such events or circumstances come with a material uncertainty, relevant disclosure of the unconsolidated financial statements must be provided in our audit report to allow users of unconsolidated financial statements to be aware of such events or circumstances or to modify our opinion if such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Plotech Technology Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including relevant notes, and whether the unconsolidated financial statements represent the underlying transactions and events fairly and appropriately.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Plotech Technology Co., Ltd. in order to express an opinion on the unconsolidated financial statements We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion on the unconsolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The ACCOUNTANT also provides to the governing unit that the personnel of the accounting firm subject to the independence standard have followed the Republic of China

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determined those matters of most significant in the audit of the 2022 unconsolidated financial statements of Plotech Technology Co., Ltd. are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chen Hsien-Cheng

Certified Public Accountant

Wang Fang-Yu

Financial Supervisory Commission

Approval Document: Jin-Guan-Zheng-Shen-Zi No. 1060025060

Jin-Guan-Zheng-Shen-Zi No.1030027246

March 28, 2023

Plotech Technology Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Asset	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current asset					
1100	Cash and cash equivalents	6 (1)	$ 146,533	5	$ 428,706	14
1110	Financial assets at fair value through profit or loss - current	6 (2) and 12 (3)	111	-	103	-
1150	Notes receivable - net	6 (3)	3,719	-	9,659	-
1170	Accounts receivable - net	6 (3)	221,487	8	288,073	9
1200	Other receivables		2,527	-	5,348	-
1210	Other accounts receivable - related parties	7	132,803	5	-	-
130X	Inventories	6 (4)	55,075	2	95,060	3
1410	Prepayments		5,552	-	6,018	-
11XX	**Total current assets**		567,807	20	832,967	26
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6 (2)	55,050	2	114,450	4
1550	Investment accounted for using the equity method	6 (5)	1,790,968	65	1,900,122	60
1600	Property, Plant and Equipment	6 (6) and 8	329,389	12	323,635	10
1755	Right-of-use asset	6 (7)	6,277	-	3,643	-
1780	Intangible asset		915	-	1,563	-
1840	Deferred tax assets	6 (22)	10,708	1	11,383	-
1900	Other non-current assets		8,789	-	7,252	-
15XX	**Total non-current assets**		2,202,096	80	2,362,048	74
1XXX	**Total assets**		$ 2,769,903	100	$ 3,195,015	100

(continued on next page)

Plotech Technology Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Liabilities and Equity	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2100	Short-term borrowings	6 (9)	$ 60,000	2	$ 119,000	4
2130	Lease liabilities - current	6 (15)	10,855	-	4,242	-
2150	Notes payable		13,581	1	5,789	-
2170	Accounts payable		100,059	4	110,087	3
2200	Other payables	6 (10)	117,106	4	142,915	5
2230	Current tax liabilities	6 (22)	964	-	45,258	1
2280	Lease liabilities - Current	6 (7)	2,660	-	2,194	-
2300	Other current liabilities		2,326	-	1,074	-
21XX	**Total current liabilities**		307,551	11	430,559	13
	Non-current liabilities					
2570	Deferred tax liabilities	6 (22)	88,034	3	119,820	4
2580	Lease liabilities - Non-current	6 (7)	3,644	-	1,475	-
2600	Other non-current liabilities	6 (11)	19,208	1	26,200	1
25XX	**Total non-current liabilities**		110,886	4	147,495	5
2XXX	**Total Liabilities**		418,437	15	578,054	18
	Equity					
	Share capital	6 (12)				
3110	Common share capital		1,133,540	41	1,160,230	36
	Capital surplus	6 (13)				
3200	Capital surplus		318,559	12	325,463	10
	Retained earnings	6 (14)				
3310	Legal reserve		146,087	5	109,777	4
3320	Special reserve		194,670	7	167,353	5
3350	Undistributed earnings		701,789	25	1,048,808	33
	Other equities					
3400	Other equities		(143,179)	(5)	(194,670)	(6)
3XXX	**Total equity**		2,351,466	85	2,616,961	82
	Significant Contingent Liabilities and Unrecognized Commitments	9				
3X2X	**Total liabilities and equities**		$ 2,769,903	100	$ 3,195,015	100

The notes to the unconsolidated financial statements are an integral part of these unconsolidated financial statements.

Chairman: Lee Chi-Liang Manager: Houng Tsung-I Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd.
Unconsolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars
(Earnings (loss) per share in NT$)

Code	Item	Notes	2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating income	6 (15)	$ 884,652	100	$ 1,051,038	100
5000	Operating costs	6 (4) (20) (21)	(769,978)	(87)	(803,276)	(76)
5900	Gross profit		114,674	13	247,762	24
	Operating expenses	6 (20) (21)				
6100	Selling expenses		(43,267)	(5)	(44,729)	(4)
6200	Administrative expenses		(51,958)	(5)	(57,885)	(6)
6450	Expected credit losses	12 (2)	-	-	-	-
6000	Total operating expenses		(95,225)	(10)	(102,614)	(10)
6900	Operating profits		19,449	3	145,148	14
	Non-operating income and expense					
7100	Interest income	6 (16)	5,702	1	7,681	1
7010	Other income	6 (17)	20,232	2	28,170	2
7020	Other gains or losses	6 (18)	(50,280)	(6)	39,280	4
7050	Financial costs	6 (19)	(972)	-	(2,143)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6 (5)	(160,645)	(18)	240,458	23
7000	Total non-operating incomes and expenses		(185,963)	(21)	313,446	30
7900	**Net income (loss) before tax**		(166,514)	(18)	458,594	44
7950	Income tax benefit (expense)	6 (22)	19,209	2	(93,986)	(9)
8200	**Net income (loss) for the period**		($ 147,305)	(16)	$ 364,608	35
	Other comprehensive income (net)					
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of the defined benefit plan	6 (11)	$ 5,277	-	($ 1,888)	-
8349	Income taxes related to the items not re-classified	6 (22)	(1,056)	-	378	-
8310	Items not reclassified subsequently to profit or loss		4,221	-	(1,510)	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		51,491	6	(27,317)	(3)
8360	Items that may be reclassified subsequently to profit or loss		51,491	6	(27,317)	(3)
8300	**Other comprehensive income (net)**		$ 55,712	6	($ 28,827)	(3)
8500	**Total comprehensive income in the current period**		($ 91,593)	(10)	$ 335,781	32
	Basic earnings (loss) per share	6 (23)				
9750	Net income (loss) for the period		($ 1.29)		$ 2.88	
	Diluted earnings (loss) per share	6 (23)				
9850	Net income (loss) for the period		($ 1.29)		$ 2.87	

The notes to the unconsolidated financial statements are an integral part of these unconsolidated financial statements.

Chairman: Leei Chi-Liang Manager: Houng Tsung-I Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd.
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

			Capital surplus			Retained earnings					
	Notes	Common share capital	Capital surplus - share premium account	Capital surplus - transaction of treasury shares	Capital surplus - change in ownership of subsidiaries	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Treasury stocks	Total Equity
2021											
Balance as of January 1, 2021		$ 1,289,145	$ 139,438	$ 3,696	$ 182,329	$ 76,119	$ 157,505	$ 793,673	($ 167,353)	$ -	$ 2,474,552
Current period net profit		-	-	-	-	-	-	364,608	-	-	364,608
Other comprehensive income for the period		-	-	-	-	-	-	(1,510)	(27,317)	-	(28,827)
Total comprehensive income in the current period		-	-	-	-	-	-	363,098	(27,317)	-	335,781
Earning appropriation and distribution	6 (14)										
Recognition of legal reserve		-	-	-	-	33,658	-	(33,658)	-	-	-
Recognition of special reserve		-	-	-	-	-	9,848	(9,848)	-	-	-
Cash dividends		-	-	-	-	-	-	(64,457)	-	-	(64,457)
Capital reduction	6 (12)	(128,915)	-	-	-	-	-	-	-	-	(128,915)
Balance as of December 31, 2021		$ 1,160,230	$ 139,438	$ 3,696	$ 182,329	$ 109,777	$ 167,353	$ 1,048,808	($ 194,670)	$ -	$ 2,616,961
2022											
Balance as of January 1, 2022		$ 1,160,230	$ 139,438	$ 3,696	$ 182,329	$ 109,777	$ 167,353	$ 1,048,808	($ 194,670)	$ -	$ 2,616,961
Net loss for the period		-	-	-	-	-	-	(147,305)	-	-	(147,305)
Other comprehensive income for the period		-	-	-	-	-	-	4,221	51,491	-	55,712
Total comprehensive income in the current period		-	-	-	-	-	-	(143,084)	51,491	-	(91,593)
Earning appropriation and distribution	6 (14)										
Recognition of legal reserve		-	-	-	-	36,310	-	(36,310)	-	-	-
Recognition of special reserve		-	-	-	-	-	27,317	(27,317)	-	-	-
Cash dividends		-	-	-	-	-	-	(116,023)	-	-	(116,023)
Share repurchased	6 (12)	-	-	-	-	-	-	-	-	(57,879)	(57,879)
Cancelation of treasury shares	6 (12)	(26,690)	(3,208)	(3,696)	-	-	-	(24,285)	-	57,879	-
Balance as of December 31, 2022		$ 1,133,540	$ 136,230	$ -	$ 182,329	$ 146,087	$ 194,670	$ 701,789	($ 143,179)	$ -	$ 2,351,466

The notes to the unconsolidated financial statements are an integral part of these unconsolidated financial statements.

Chairman: Lee Chi-Liang

Manager: Houng Tsung-I

Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd.
Unconsolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars

	Notes	January 1 to December 31, 2022	January 1 to December 31, 2021
Cash flows from operating activities			
Net income (loss) before tax for the period		($ 166,514)	$ 458,594
Adjustments			
Income/expenses items			
depreciation expense	6 (6) (7) (20)	52,394	44,621
Amortization	6 (20)	7,500	6,923
Net loss (gain) from financial assets at fair value through profit or loss	6 (2) (18)	59,392	(38,244)
Interest expenses	6 (19)	972	2,143
Interest income	6 (16)	(5,702)	(7,681)
Share of profit or loss under the equity method	6 (5)	160,645	(240,458)
Gains on disposal of property, plant and equipment	6 (18)	(54)	(51)
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Notes receivable - net		5,940	7,208
Trade receivable		66,586	(33,644)
Other receivables		2,821	(2,518)
Inventories		39,985	(42,889)
Prepayments		466	(883)
Net change in liabilities related to operating activities			
Lease liabilities - current		6,613	2,741
Notes payable		7,792	2,056
Accounts payable		(10,028)	6,413
Other payables		(17,269)	12,912
Other current liabilities		1,252	(969)
Accrued pension liabilities		(1,717)	(1,978)
Cash provided by operating activities		211,074	174,296
Interest received		5,702	7,681
Interest paid		(1,014)	(2,127)
Income tax paid		(57,252)	(20,195)
Net cash inflow from operating activities		158,510	159,655
Cash flows from investing activities			
Proceeds from capital reduction of investees accounted for under the equity method	6 (5)	-	418,990
Payment for acquisition of property, plant and equipment	6 (24)	(63,213)	(84,805)
Proceeds from disposal of property, plant and equipment		54	51
Increase in refundable deposits		(1,566)	(44)
Increase in other accounts receivable - related parties		(132,803)	-
Increase in other non-current assets		(6,568)	(6,330)
Net cash (outflow) inflow from investing activities		(204,096)	327,862
Cash flows from financing activities			
Proceeds from short-term borrowings	6 (25)	367,000	793,000
Repayment of short-term borrowings	6 (25)	(426,000)	(843,000)
Share repurchases	6 (12)	(57,879)	-
Repaid principal of lease liabilities	6 (25)	(3,685)	(3,935)
Issue of cash dividends	6 (14)	(116,023)	(64,457)
Capital reduction	6 (12)	-	(128,915)
Net cash outflow from investing activities		(236,587)	(247,307)
Increase (decrease) in cash and cash equivalents during the period		(282,173)	240,210
Cash and cash equivalents at the beginning of the year		428,706	188,496
Cash and cash equivalents at the end of the year		$ 146,533	$ 428,706

The notes to the unconsolidated financial statements are an integral part of these unconsolidated financial statements.

Chairman: Lee Chi-Liang　　Manager: Houng Tsung-I　　Head of Accounting: Hung Yu-Feng

Plotech Technology Co., Ltd.
Notes to Unconsolidated Financial Statements
2022 and 2021

Unit: Amounts expressed in thousands of New Taiwan Dollars
(unless otherwise specified)

I. Company History

(1) Plotech Technology Co., Ltd.: ("the Company") was incorporated in the R.O.C. The Company's main business is the manufacturing, processing and sale of printed circuit boards and electronic components and the design of films and printed circuit boards.

(2) The Company's shares began trading on the Taipei Exchange since September 2000 and on the Taiwan Stock Exchange after October 2003.

II. Approval Date and Procedures of Financial Statements

These unconsolidated financial statements were approved by the Board of Directors on March 28, 2023.

III. Applicability of New Standards, Amendments and Interpretations

Impact from adoption of new and amended IFRS standards endorsed by the Financial Supervisory Commission ("FSC")

The table below shows the new, revised or amended IFRS standards and interpretations endorsed by the FSC and applicable in 2022.

New Amended and Revised Standards and Interpretations	Effective dates announced by International Accounting Standards Board (IASB)
Amendments to IFRS 3: Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 16: Property, plant and equipment: Proceeds before intended use	January 1, 2022
Amendments to IAS 37 "Onerous Contract - - Cost of Fulfilling a Contract"	January 1, 2022
Improvements of 2018-2020 cycles	January 1, 2022

According to the Company's assessment, the aforesaid standards and interpretations do not have significant influence on the Company's financial position or financial performance.

Effects of the new and amended International Financial Reporting Standards (IFRSs) not yet endorsed by Financial Supervisory Commission (FSC)

The table below shows the new, revised or amended IFRS standards and interpretations endorsed by the FSC and applicable in 2023.

New Amended and Revised Standards and Interpretations	Effective dates announced by International Accounting Standards Board (IASB)
Amendments to IAS 1: Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8: Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

According to the Company's assessment, the aforesaid standards and interpretations do not have significant influence on the Company's financial position or financial performance.

Impact of the International Financial Reporting Standards (IFRSs) announced by International Accounting Standards Board (IASB) but not yet endorsed by the FSC:

The table below summarizes the new, amended and revised International Financial Reporting Standards (IFRSs) and interpretations announced by International Accounting Standards Board (IASB) but not yet endorsed by the FSC:

New Amended and Revised Standards and Interpretations	Effective dates announced by International Accounting Standards Board (IASB)
Amendments to IFRS 10 and IAS 28 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by International Accounting Standards Board (IASB)
Amendment to IFRS No. 16 "Lease Liabilities under Sale and Leaseback"	January 1, 2024
IFRS 17: Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Insurance Contracts	January 1, 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9: Comparative Information	January 1, 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 1, 2024

According to the Company's assessment, the aforesaid standards and interpretations do not have significant influence on the Company's financial position or financial performance.

IV. Summary of Significant Accounting Polices

The primary accounting policies adopted for the preparation of these unconsolidated financial statements are as follows: Unless otherwise specified, these policies are applied consistently in all reporting periods.

(I) Compliance Statement

These unconsolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of preparation

1. Except for the significant items below, the unconsolidated financial statements are reported with historical costs:
   (1) Financial asset at fair value through profit or loss
   (2) The defined benefit liability is recognized with the pension plan assets less the present value of the defined benefit obligation.
2. It is necessary to use certain significant accounting estimates for the preparation of the financial statements in adherence to Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), interpretations and SIC Interpretations endorsed by the Financial Supervisory Commission (collectively referred to as "IFRSs"). Management also needs to make judgements during the process of applying the Company's accounting policies. Please refer to Note 5 for details on the items that involve a high degree of judgement or complexity or significant assumptions and estimates of the unconsolidated financial statements.

Translation of foreign currency

The items listed in the Company's unconsolidated financial statements are measured with the currency in the primary economic environment where the Company operates (i.e., functional currency). These unconsolidated financial statements are presented with the Company's functional currency, i.e., the New Taiwan dollars.

1. Foreign currency transactions and balances
   (1) Transactions in foreign currencies are translated into the functional currency with the spot exchange rate on the transaction dates or measurement dates. Any exchange difference due to such transactions is recognized in the profit or loss during the period.

(2) The valuation of monetary assets and liabilities denominated in foreign currencies is adjusted with the spot exchange rates on the balance sheet. Any exchange difference due to adjustments is recognized as profit or loss during the period.

(3) Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value through profit or loss are adjusted with the spot exchange rates on the balance sheet dates. Any exchange difference due to adjustments is recognized as profit or loss during the period. Those assets and liabilities measured at fair value through other comprehensive income are adjusted with the spot exchange rates on the balance sheet dates. Any exchange difference due to adjustments is recognized as other comprehensive income. Those not measured at fair value are measured at the historical exchange rates of the initial transaction dates.

(4) All the other exchange gain or loss is recognized in other gain and loss in the income statement according to the nature of transactions.

2. Translation of the financial statements of foreign operations

(1) All of the Company's entities, associates and joint arrangements whose functional currency is not the same as the presentation currency shall translate operating results and financial position into the presentation in the following method:

A. Each asset and liability on the balance sheet is translated with the closing exchange rate on the balance sheet date.

B. Each gains, income, expense and loss on the comprehensive income statement is translated with the average exchange rate during the period.

C. All gains or losses arising from translation are recognized as other comprehensive income.

(2) When a subsidiary disposes or sells certain overseas operations, the corresponding accumulative translation difference recognized as other comprehensive income pro-rata shall be reclassified as the non-controlling interest attributable to the overseas operations concerned. Even if the Company retains some interest in the aforesaid subsidiaries but has lost control on overseas operations owned by the subsidiaries, it is treated as disposal of all interest in the overseas operations.

<u>Classification of current and non-current assets and liabilities</u>

1. Assets are classified as current if any of the following conditions is met:

(1) Expected to be realized during the normal operating cycle or intended for sale or consumption

(2) Held primarily for the purpose of trading.

(3) Expected to be realized within 12 months after the balance sheet date

(4) Cash and cash equivalent, unless restricted from exchange or from use to settle a liability for at least twelve months after the balance sheet date.

The Company classifies all the assets not meeting the above criteria as non-current.

2. Liabilities are classified as current if any of the following conditions is met:

(1) Expected to be repaid within the normal operating cycle.

(2) Held primarily for the purpose of trading.

(3) Repayments expected due within 12 months after the balance sheet date.

(4) Repayments not o be extended unconditionally to more than 12 months after the balance sheet date. The clauses concerning the repayment of debts possibly via issue of equity instruments as chosen by counterparties do not affect the classification.

The Company classifies all the liabilities not meeting the above criteria as non-current.

<u>Cash equivalents</u>

Cash equivalents refer to short-term and highly liquid investments that can be readily converted to cash of certain amounts and the risks of change in value are minimum. Fixed-term deposits that meet the above definitions and are held to meet short-term capital commitments for operation are classified as cash equivalents.

Financial assets at fair value through profit or loss

1. Financial assets not at amortized cost or at fair value through other comprehensive income
2. The Company adopts trade date accounting for financial assets at fair value through profit or loss under regular purchase and sale.
3. Initial recognition is based on fair values, with relevant transactions recognized as profit or loss. The gain or loss resultant from subsequent measurement of fair value is recognized in profit or loss.
4. Once the right to receive dividends has been confirmed, the economic benefits associated with dividends are likely to flow in and the amount of dividends can be reliably measured, the Company recognizes dividend income in profit or loss.

Accounts and notes receivable

1. Accounts and notes with unconditional rights for collection of the amounts corresponding to the goods or services transferred according to contractual agreements.
2. Non-interest bearing short-term accounts and notes receivable. Given the insignificant effect of discounting, the Company measures with invoiced amounts.

Impairment of financial assets

On each balance sheet date, the Company measures the debt instruments at fair value through other comprehensive income and the financial assets at amortized cost by considering all the reasonable and verifiable information (including forward looking information). If the originally recognized credit risk has not increased significantly, the allowance for losses is measured with the 12-month expected credit losses. If the originally recognized credit risk has increased significantly, the allowance for losses is measured with the lifetime expected credit losses. The allowance for losses of accounts receivable or contract assets excluding significant financing components is measured with the lifetime expected credit losses.

Derecognition of financial assets

The Company derecognizes financial assets in any of the following circumstances:

1. The contractual rights of collecting cash flows from the financial asset become invalid.
2. The contractual rights of collecting cash flows from the financial asset has been transferred and the ownership of the financial asset has been transferred, along with almost all risks and returns.
3. The contractual rights of collecting cash flows from the financial asset has been transferred, without retaining the control over the financial assets.

Lease transactions as a lessor－operating leases

Rental incomes less any incentives granted to the lessees of operating leases are recognized as profit or loss during the leasing period in the straight line method.

Inventories

Inventory is measured at the lower of cost and net realizable value. Cost is determined with the weighted average method. The costs of finished goods and goods-in-progress include raw materials, direct labor, other direct costs and manufacturing expenses related to production (distributed according to normal capacity). However, this does not include borrowing costs. The item-by-item method is used to compare the lower of cost and net realizable value. Under the item-by-item method, net realizable value refers to the estimated selling price during the normal business process less estimated costs required for completion and relevant variable selling costs.

Investments/subsidiaries accounted for using the equity method

1. Subsidiaries refer to entities (including structured entities) controlled by the Company. When the Company is exposed to the variable returns from its involvement in these entities or have rights to such variable returns, and can influence the returns through its power on these entities, the Company has control over these entities.
2. The unrealized profit or loss from the transactions between the Company and subsidiaries have been canceled out. The accounting policies of subsidiaries have been adjusted as needed, to align with the policies adopted by the Company.
3. The Company recognizes its share of profit or loss of any acquired subsidiary as the profit or loss for the period and its share of other comprehensive income as other comprehensive income. If the Company's recognized share of loss from subsidiaries has reached or exceeded the interest in the subsidiaries, the Company continues to recognize its share of losses according to its shareholding percentages.
4. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the split between profit or loss and other comprehensive income in the unconsolidated financial statements should be the same as the split between profit or loss and other comprehensive income attributable to the owners of the parent in the consolidated financial statements for the period. The owner's equity in the unconsolidated financial statements should be the same as the equity attributable to the owners of the parent in the consolidated financial statements.

Property, Plant and Equipment

1. Property, plant and equipment is recognized at the cost of acquisition. The interest during the construction period is capitalized.
2. Subsequent costs can only be included into the carrying amount of an asset or recognized as a standalone asset when the relevant future economic benefits are likely to flow to the Company and such costs can be reliably measured. The carrying amount of the replaced parts should be derecognized. All the other maintenance expenses are recognized into profit or loss when occurred.
3. Subsequent measurement of property, plant and equipment is based on the cost model. Land is not depreciated but all the other items are depreciated in the straight-line method over the estimated service life. Separate depreciation is recognized for significant components of property, plant and equipment.
4. At the end of each financial year, the Company examines the residual value, service life and depreciation method of each assets. If the expected residual value and the service life are different from the prior estimate or the expected consumption of future economic benefits of the asset has changed significantly, the change shall be treated as change in accounting estimate from the date of change occurrence and in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The service life of each asset is as follows:

Houses and buildings	4 years to 56 years
Machinery and equipment	3years to 6 years
Pollution prevention equipment	4 to 6 years
Transportation equipment	6 years
Office equipment	4 to 6 years
Other equipment	4 to 6 years

Lease transactions as a lessee－right-of-use assets/lease liabilities

1. Lease assets are recognized from the day available for use to the Company as right-of-use assets and lease liabilities. When a lease contract is short-term or the underlying asset is low in value, the lease payments are expensed in the straight-line method during the lease period.

2. From the beginning date of the lease, the lease liability is recognized at the present value of the outstanding lease payments discounted at the Company's incremental borrowing rate. Lease payments refer to fixed payments less any lease incentives receivable.

   Subsequent measurement is based on amortized cost and the interest method. Interest expenses are recognized during the lease period. In case of modification in lease terms or lease payments not due to contractual amendments, the lease liability will be reassessed and the right-of-use asset will be adjusted with remeasurement.

3. Right-of-use assets are recognized at cost on the day when leases start. Costs refer to the original measured amount of lease liabilities.

   Subsequent measurement is based on the cost model. Depreciation is recognized for the earlier of the service life of the right-of-use asset or the expiry of the lease term. When a lease liability is reassessed, the right-of-use asset will be adjusted with the amount of remeasurement in the lease liability.

Intangible asset

Computer software is recognized at the cost of acquisition and amortized in the straight-line method over the service life of five years.

Impairment of non-financial assets

The company estimates the recoverable amount of the asset with indication of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, impairment is recognized. The recoverable amount refers to the higher of the fair value less costs of disposal or the value in use. When the circumstance for recognition of asset impairment in prior years no longer exists or is reduced, the impairment loss is reversed. However, the increased carrying amount due to reversal of impairment loss may not exceed the carrying amount that it would have been without the prior impairment loss, net of depreciation or amortization.

Borrowings

This refers to short-term and long-term borrowings from banks and other short-term and long-term borrowings. The initial recognition is based on the fair value less transaction costs. Any subsequent difference between the proceeds less transaction costs and the redemption value is amortized with the effective interest method as interest expense in profit or loss during the circulation period.

Accounts and notes payable

1. This refers to debts due to purchases of raw materials, goods or services on credit or notes payable whether arising from operations or not.

2. Discounting does not create much impact on short-term accounts and notes payable that do not bear interests. Initial recognition is based on fair values. Interest expenses are subsequently recognized with the effective interest method and according to amortization procedures during the circulation period.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations have been fulfilled, canceled or have expired.

Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured with the non-discounted expected amount and expensed when the relevant services are rendered.

2. Pension

   (1) Defined contribution plan
   Pension contributions payable to the defined contribution plan are recognized as pension costs for the period on the accrual basis. Prepaid contributions are recognized as an asset within the refundable range or the reduced portion of future contributions.

   (2) Defined benefit plan

   A. The net obligation of the defined benefit plan is calculated by discounting the future benefits earned by employees during the period or in the past. It is recognized as the present value of the defined benefit obligation less the fair value of the plan asset on the balance sheet date. The net obligation of the defined benefits is calculated each year by actuaries based on the projected unit credit method. The discount rate is the market yield of the government bonds on the balance sheet with the same currency and duration of the defined benefit plan.

   B. The remeasurement of a defined benefit plan is recognized as other comprehensive income for the period and indicated in retained earnings.

3. Employees' compensation and remuneration of directors and supervisors

   Employees' compensation and remuneration of directors and supervisors are recognized as expenses and liabilities when such compensation and remuneration are statutory or constructive obligations and the amount can be reasonably estimated. If the subsequently resolved and actually distributed amount is different from the estimated amount, the difference is handled as a change in accounting estimate. If employees' compensation is paid with shares, the number of shares is calculated with the closing price on the day before the Board of Directors' resolution.

Income tax

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss except those income taxes related to items of other comprehensive income or directly recognized as equity are recognized as other comprehensive income or directly as equity, respectively.

2. The Company calculates income taxes for the period according to the enacted or substantively enacted tax rates on the balance sheet date in the countries where the Company operates and generates taxable income. Management assesses the filing of income taxes periodically and according to applicable income tax laws and regulations and where applicable, must estimate income tax liabilities for expected tax payments to tax authorities. Undistributed earnings are subject to additional income taxes under the income tax laws. Income tax expenses on undistributed earnings are recognized on the basis of actual distributions in the year after the earnings have been generated and the distribution proposal has been resolved by the shareholders' meeting.

3. The balance sheet approach is used for deferred taxes, to account for the temporary difference between the tax base of assets and liabilities and the carrying amount on the consolidated balance sheet. The deferred tax liabilities arising from initial recognition of goodwill are not recognized. If deferred income taxes arise from initial recognition of assets or liabilities for transactions (excluding mergers) and the transactions do not affect accounting profits or taxable incomes (losses), such deferred income taxes are not recognized. If there is a temporary difference between subsidiaries and associates, the Group can control the timing of the reversal of the temporary difference, and the temporary difference is unlikely to be reversed in foreseeable future, it will not be recognized.

Deferred income taxes are based on enacted or substantively enacted tax rates (and tax laws) on the balance sheet date expected to be applicable to realization of deferred tax assets or payment of deferred tax liabilities.

4. Deferred income taxes are recognized within the scope where temporary differences are likely to be used to offset future taxable incomes. Reassessment is conducted on each balance sheet regarding unrecognized and recognized deferred tax assets.

Share capital

1. Ordinary shares are classified as equity. The incremental cost directly attributable to the issue of new shares or warrants less income taxes is recognized as a deduction to equity.
2. When the Company repurchases its issued shares, the prices it pays (including any incremental costs directly attributable) are recognized net of taxes as a deduction to equity. The difference between the carrying amount and the proceeds from the re-issue of repurchased shares less any incremental costs directly attributable and effects on income taxes is recognized as an adjustment to equity.

Dividend distributions

The dividends distributed to shareholders are recognized in the financial statements when resolved by the Company's shareholders' meeting. Cash dividends to be distributed are recognized as a liability. Stock dividends to be distributed are recognized accordingly and converted into ordinary shares on the day of new share issuance.

Revenue recognition

1. The Company manufactures and markets printed circuit boards and relevant products. Revenue is recognized when the control of products is transferred to customers, i.e., when products are handed over to customers. When customers accept products in accordance with sales contracts or there is objective evidence proving all acceptance standards have been satisfied, the handover of products has occurred.
2. Revenue from sale of products is recognized at the contract price net of sales rebates. Payment days are 30 to 180 days due after shipments. There is no gap above one year from the time when goods or services are transferred to customers as committed to the time when customers make payments. Therefore, the Company does not adjust transaction prices to reflect the time value of money.
3. Accounts receivable are recognized when products are handed to customers. It is from this point in time the Company has unconditional rights to contract prices and can collect the proceeds from customers after time has passed.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the preparation of the Company's unconsolidated financial statements, management makes judgment in the determination of accounting policies and arrives at accounting estimates and assumptions based on the reasonable expectations of future events in the circumstances on the balance sheet dates. Significant accounting estimates and assumptions may be different from actual outcomes. Continuous assessments and adjustments will be made based on historical experience and other factors. Such estimates and assumptions come with the risks of significant adjustments to the carrying amounts of assets and liabilities during the next financial year. Please refer to the following explanations in detail about significant accounting judgments, estimates and estimation uncertainties.

(I) Key judgments for accounting policies

None

Key accounting estimates and assumptions

Inventory valuation

Inventory must be valued at the lower of cost or net realizable value. Therefore, the Company must make judgements and estimates in the determination of the net realizable value of inventory on the balance sheet dates. Given the rapid technological changes, the Company assesses the inventory on the balance sheet dates for normal wear-and-tear, obsolescence or marketability and reduces the inventory cost to the net realizable value. Inventory valuation is primarily based on the estimation for product demand for a time period in the future. Therefore, significant changes may occur. Please refer to Note 6 (4).

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and penny cash	$ 224	$ 289
Check deposits and demand deposits	87,960	141,178
Fixed-term deposits	58,349	287,239
	$ 146,533	$ 428,706

1. The credit quality of the financial institutions the Company deals with is high. Meanwhile, the Company deals with multiple financial institutions at the same time to diversify credit risks. The expected probability of default is fairly low.
2. The Company did not collateralize its cash and cash equivalents.

Financial assets at fair value through profit or loss

Item	December 31, 2022	December 31, 2021
Current items		
Financial assets at fair value through profit or loss		
TWSE/TPEx listed shares	$ 2	$ 2
Valuation adjustment	109	101
	$ 111	$ 103
Non-current items		
Financial assets at fair value through profit or loss		
Non TWSE/TPEx listed shares	$ 107,000	$ 107,000
Valuation adjustment	(51,950)	7,450
	$ 55,050	$ 114,450

1. Financial asset at fair value through profit or loss are detailed below:

	2022	2021
Financial assets at fair value through profit or loss		
TWSE/TPEx listed shares	$ 8	($ 6)
Non TWSE/TPEx listed shares	(59,400)	38,250
	($ 59,392)	$ 38,244

2.None of the Company's financial assets at fair value through profit or loss is pledged.

Notes payable and accounts payable

	December 31, 2022	December 31, 2021
Notes receivable	$ 3,719	$ 9,659
Trade receivable	227,157	293,789
Less: Allowance for bad debts	(5,670)	(5,716)
	$ 221,487	$ 288,073

1. None of the Company's notes receivable falls overdue. Please refer to Note 12 (2) for the aging analysis of accounts receivable.
2. As of December 31, 2022 and 2021, all accounts receivable and notes receivable were generated from contracts with customers. As of January 1, 2021, the accounts receivable from contracts with customers were $277,012.
3. Without considering the collaterals held or other credit enhancements, the maximum risk exposures best indicative of the Company's credit risks associated with notes receivable as of December 31, 2021 and 2020 are $3,719 and $9,659, respectively. The maximum risk exposures best indicative of the Company's credit risks associated with accounts receivable as of December 31, 2022 and 2021 are $221,487 and $288,073, respectively.
4. The Company does not hold any collaterals.
5. Please refer to Note 12 (2) for the information on credit risks associated with accounts receivable and notes receivable.

(II) Inventories

	December 31, 2022		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	$ 19,700	$ -	$ 19,700
Supplies	4,690	-	4,690
Work in progress	26,499	(9,344)	17,155
Finished goods	17,483	(4,116)	13,367
Products	163	-	163
	$ 68,535	($ 13,460)	$ 55,075

	December 31, 2021		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	$ 29,018	$ -	$ 29,018
Supplies	5,294	-	5,294
Work in progress	34,688	(9,343)	25,345
Finished goods	37,090	(2,616)	34,474
Products	929	-	929
	$ 107,019	($ 11,959)	$ 95,060

Inventory related expenses recognized during the period

	2022	2021
Cost of inventories sold	$ 768,478	$ 800,287
Inventory write-downs	1,500	3,000
Adjustment to physical counts of inventory	-	(11)
	$ 769,978	$ 803,276

Investment accounted for using the equity method

1. Long-term equity investments

	December 31, 2022	December 31, 2021
PLOTECH(BVI)CO.,LTD.	$ 1,790,968	$ 1,900,122

2. The Company recognized gains of ($160,645) and $240,458 on investments accounted for using the equity method for 2022 and 2021, respectively, based on the investees' audited financial statements of the same periods.
3. Please refer to Note 4 (3) to the Company's 2022 consolidated financial statements for information on the Company's subsidiaries.
4. The Company's subsidiary Plotech (BVI) Co. Ltd. conducted a capital reduction by $15,049,305 on May 4, 2021 and by $15,049,30 on July 14, 2020 after resolutions by the Board of Directors. The Company still owns 100% stake.
5. The Company's subsidiary Firm Ground Investment Limited was liquidated in May 2021.

(III) Property, Plant and Equipment

	Land	Houses and buildings	Machinery and equipment	Pollution prevention equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected	Total
Jan.1, 2022									
Cost	$ 76,027	$ 179,654	$ 722,375	$ 10,509	$ 5,074	$ 4,960	$ 29,336	$ 31,507	$ 1,059,442
Accumulated depreciation	-	(115,914)	(578,545)	(9,778)	(3,779)	(4,149)	(23,642)	-	(735,807)
	$ 76,027	$ 63,740	$ 143,830	$ 731	$ 1,295	$ 811	$ 5,694	$ 31,507	$ 323,635
2022									
January 1	$ 76,027	$ 63,740	$ 143,830	$ 731	$ 1,295	$ 811	$ 5,694	$ 31,507	$ 323,635
Addition	-	-	-	-	-	-	-	54,715	54,715
Transfer(Note)	-	666	54,954	-	-	190	2,103	(58,165)	(252)
Disposal during the period (cost)	-	-	(27,669)	-	-	-	(764)	-	(28,433)
Disposal during the period (accumulated depreciation)	-	-	27,669	-	-	-	764	-	28,433
depreciation expense	-	(3,628)	(42,014)	(282)	(467)	(260)	(2,058)	-	(48,709)
December 31	$ 76,027	$ 60,778	$ 156,770	$ 449	$ 828	$ 741	$ 5,739	$ 28,057	$ 329,389
December 31, 2022									
Cost	$ 76,027	$ 180,319	$ 749,660	$ 10,509	$ 5,074	$ 5,150	$ 30,636	$ 28,057	$ 1,085,432
Accumulated depreciation	-	(119,541)	(592,890)	(10,060)	(4,246)	(4,409)	(24,897)	-	(756,043)
	$ 76,027	$ 60,778	$ 156,770	$ 449	$ 828	$ 741	$ 5,739	$ 28,057	$ 329,389

Note: The total amount was transferred to the intangible asset account.

	Land	Houses and buildings	Machinery and equipment	Pollution prevention equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment to be tested for acceptance	Total
Jan.1, 2021 Cost	$ 75,106	$ 178,328	$ 672,370	$ 10,509	$ 5,074	$ 4,423	$ 27,196	$ 20,090	$ 993,096
Accumulated depreciation	-	(112,366)	(575,585)	(9,477)	(3,312)	(3,963)	(20,758)	-	(725,461)
	$ 75,106	$ 65,962	$ 96,785	$ 1,032	$ 1,762	$ 460	$ 6,438	$ 20,090	$ 267,635
Jan.1, 2021	$ 75,106	$ 65,962	$ 96,785	$ 1,032	$ 1,762	$ 460	$ 6,438	$ 20,090	$ 267,635
Addition	-	-	-	-	-	-	-	96,705	96,705
Transfer	921	1,326	80,364	-	-	537	2,140	(85,288)	-
Disposal during the period (cost)	-	-	(30,359)	-	-	-	(39)	-	(30,398)
Disposal during the period (accumulated depreciation)	-	-	30,359	-	-	-	39	-	30,398
depreciation expense	-	(3,548)	(33,319)	(301)	(467)	(186)	(2,884)	-	(40,705)
December 31	$ 76,027	$ 63,740	$ 143,830	$ 731	$ 1,295	$ 811	$ 5,694	$ 31,507	$ 323,635
December 31, 2021 Cost	$ 76,027	$ 179,654	$ 722,375	$ 10,509	$ 5,074	$ 4,960	$ 29,336	$ 31,507	$ 1,059,442
Accumulated depreciation	-	(115,914)	(578,545)	(9,778)	(3,779)	(4,149)	(23,642)	-	(735,807)
	$ 76,027	$ 63,740	$ 143,830	$ 731	$ 1,295	$ 811	$ 5,694	$ 31,507	$ 323,635

1. Please refer to Note 8 for details on the collateralization of the Company’s property, plant and equipment.
2. There is no capitalization of interest for property, plant and equipment.

(IV) Leases - lessee

1. The assets of the Company's lease contracts include land, houses and machinery. Lease contracts are typically between one and six years. Lease contracts are negotiated individually and contain different terms and conditions. There are no extra limitations except that leased assets may not be used as collateral for borrowings.

2. Carrying amount of right-of-use assets and recognition of depreciation expenses

	December 31, 2022 Amount of accounts	December 31, 2021 Amount of accounts
Land	$ 4,700	$ 2,285
Houses	48	48
Machinery and equipment	1,529	1,310
	$ 6,277	$ 3,643

	2022 depreciation expense	2021 depreciation expense
Land	$ 1,092	$ 1,095
Houses	191	200
Machinery and equipment	2,402	2,621
	$ 3,685	$ 3,916

3. The Company added the right-of-use assets by $6,320 and $4,959, respectively, in 2022 and 2021.

4. Profit or loss related to lease contracts

	2022	2021
Items that affect profit or loss during the period		
Interest on lease liabilities	$ 63	$ 42
Expenses arising from short-term lease contracts	$ -	$ 30
Expenses arising from leases of low-value assets	$ -	$ 100

5. The Company's cash outflow from leases totaled $3,748 and $4,107 in 2022 and 2021, respectively.

(V) Leases - lessor

1. The Company rents out buildings and the lease contracts are usually between three to five years. Lease contracts are negotiated individually and contain different terms and conditions. To safeguard the usage status of assets rented out, the lessees are typically asked not to collateralize the rented assets for borrowings.

2. The Company recognized the following gains on operating lease contracts in 2022 and 2021:

	2022	2021
Rental income	$ 101	$ 101

3. The maturity dates of the Company's operating leases as a lessor are analyzed below:

	December 31, 2022	December 31, 2021
2022	$ -	$ 71
2023	89	53
2024	72	36
2025 years	72	36
After 115 years	78	36

	$ 311	$ 232

(VI) Short-term borrowings

Nature of borrowings	December 31, 2022	Range of interest rates	Collateral
Bank loans			
Secured loans	$ 60,000	1.80%	Land and real estate

Nature of borrowings	December 31, 2021	Range of interest rates	Collateral
Bank loans			
Secured loans	$ 69,000	1.05%~1.30%	Land and real estate
Credit loans	50,000	1.30%	None
	$ 119,000		

(VII) Other payables

	December 31, 2022	December 31, 2021
Wages and bonuses payable	$ 57,776	$ 68,514
Processing fees payable	6,931	11,733
Equipment and engineering fees payable	4,632	13,130
Maintenance fees payable	6,819	7,801
Utility bills payable	3,946	3,730
Others	37,002	38,007
	$ 117,106	$ 142,915

(VIII) Net defined benefit liability

1. In accordance with the rules prescribed in the Labor Standards Act, the Company has established its defined benefit scheme, applicable to all the service years of regular employees before the enactment of the Enforcement Rules of the Labor Pension Act on July 1, 2005 and the subsequent service years of the employees who opt for the Labor Standard Act program after the Enforcement Rules of the Labor Pension Act. Pension payouts to employees eligible for retirement are calculated according to service years and average wages for the six months prior to retirement. Two bases are granted for each full year of services up to 15 years and one basis is granted for each full year of services above 15 years. However, the number of accumulated bases is capped at 45. The Company contributes 2% of monthly wages to the dedicated account under the name “Supervisory Committee of Labor Retirement” with Bank of Taiwan. The Company reviews the balance of the aforesaid pension account before the end of each year. If the balance is inadequate to cover the previously stated amount to the employees expected to be eligible for retirement in the following year, the Company will make up the insufficiency with a one-off contribution before the end of March of the following year.

(1) Amounts recognized on the balance sheet:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 70,586	$ 71,679
Fair value of plan assets	(52,378)	(46,479)

Net defined benefit liability	$ 18,208	$ 25,200

(2) Movements the net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
2022			
Balance as of January 1	$ 71,679	($ 46,479)	$ 25,200
Service cost during the period	390	-	390
Interest expense (income)	538	(358)	180
	72,607	(46,837)	25,770
Remeasurement			
Return on plan assets (excluding the amounts included in net interest or expense)	-	(3,383)	(3,383)
Effects of changes in financial assumptions	(3,657)	-	(3,657)
Experience adjustments	1,763	-	1,763
	(1,894)	(3,383)	(5,277)
Pension contributions	-	(2,285)	(2,285)
Pension payments	(127)	127	-
Balance as of December 31	$ 70,586	($ 52,378)	$ 18,208

	(2) Defined benefit plan Present value of obligations	Planned assets Fair value	Net certainty Liability for benefits
2021			
Balance as of January 1	$ 69,765	($ 44,475)	$ 25,290
Service cost during the period	409	-	409
Interest expense (income)	244	(160)	84
	70,418	(44,635)	25,783
Remeasurement			
Return on plan assets (excluding the amounts included in net interest or expense)	-	(632)	(632)
Effects of changes in demographic assumptions			
Number of influences	3,155	-	3,155
Effects of changes in financial assumptions	(2,527)	-	(2,527)
Experience adjustments	1,892	-	1,892
	2,520	(632)	1,888
Pension contributions	-	(2,471)	(2,471)
Pension payments	(1,259)	1,259	-
Balance as of December 31	$ 71,679	($ 46,479)	$ 25,200

(3) The Company's defined benefit plan assets are managed by Bank of Taiwan based on the annual percentages and amounts of the investment mandate and in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., depositing with financial institutions domestic and overseas; investing in domestic and overseas equity securities listed or privately placed and investing in instruments securitized with domestic or overseas real estates, etc.) The mandated management and funds utilization are under the oversight from the Labor Pension Fund Supervisory Committee. The annual minimum return of the fund for distributions may not fall below the interest rate of two-year time deposits offered by local banks. Any insufficiency will be met by the national treasury after the approval from compete authorities. As the Company has no right to participate in the

utilization and management of the fund, it is unable to disclose the classification of the fair value of the plan assets in accordance with Section 142 of IFRS 19. Please refer to the government's annual reports on the utilization of the labor pension funds published for the fair value of total assets in the years ended on December 31, 2022 and 2021.

(4) Actuarial assumptions are summarized as follows:

	2022	2021
Discount rate	1.400%	0.750%
Salary growth rate	2.250%	2.250%

Mortality assumptions are based on statistics published by different countries and experience values.

The impact due to change in key actuarial assumptions on the present value of the defined benefit obligation is analyzed as follows:

	Discount rate		Salary growth rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2022				
Impact on the present value of the defined benefit obligation	($ 1,434)	$ 1,480	$ 1,430	($ 1,392)
December 31, 2021				
Impact on the present value of the defined benefit obligation	($ 1,607)	$ 1,663	$ 1,597	($ 1,553)

The above sensitivity analysis is based on the influence of change in a single assumption, with all else being equal. In reality, changes are interrelated for many assumptions. Sensitivity analysis is conduced with the same method used for the calculation of net pension liability on the balance sheet.

The sensitivity analysis for the period is conducted in the same method and with the same assumptions from the prior periods.

(5) The Company plans to contribute $0 in 2023 to the pension plan.

(6) As of December 31, 2022, the weighted average duration of the pension plan is 12 years. The maturity analysis of pension payments is as follows:

< 1 year	$ 52,674
1-5 years	19,203
5-10 years	14,246
	$ 86,123

2. Starting on July 1, 2005, the Company has established pension contribution regulations in accordance with the Enforcement Rules of the Labor Pension Act, applicable to all the Taiwanese employees. For the employees who opt for the Enforcement Rules of the Labor Pension Act, the Company contributes 6% of wages each month to employees' personal accounts with the Bureau of Labor Insurance. Pension payments are based on the amount of personal accounts with accumulated returns. Employees can receive pension payments on a monthly basis or in a lump sum.

According to the aforesaid pension regulations, the Company recognized pension costs of $8,275 and $8,244 for 2022 and 2021, respectively.

(IX) Share capital

1. As of December 31, 2022, the Company's authorized capital was $3,000,000, divided into 300,000 thousand shares (with $200,000 reserved for issue of employee share warrants and for conversion of convertible corporate bonds). The total number of shares outstanding is 113,354 thousand shares, at a face value of NT$10. All the issued shares are paid up.

2. Treasury shares

   (1) According to the Securities and Exchange Act, the number of repurchased shares may not exceed 10% of the number of issued shares. The total amount spent on share buybacks may not exceed the aggregate of retained earnings, additional paid-in capital and realized capital surplus.

   (2) The treasury shares held by the Company, in accordance with Securities and Exchange Act, shall not be pledged and is not entitled to shareholders' rights before transfer.

   (3) According to the Securities and Exchange Act, the shares repurchased for transferring to employees should be transferred within five years after the buyback. If transfers are not made during this period, it is deemed that these issues are unissued. Such shares should be cancelled after registration for the change. The shares repurchased to maintain corporate credibility and shareholders' equity should be cancelled through registration for the change within six months after the buyback. On May 11, June 1, and September 20, 2022, the Company resolved by the Board of Directors to recover 2,669 thousand Treasury shares in the amount of $57,879 in order to safeguard the company's credit and shareholders' rights and interests. The total number of Treasury shares was 1,669 thousand shares and 1,000 thousand shares were cancelled by resolution of the Board of Directors in August 2022 and November 2022 respectively. Of these 1,669 thousand shares, the change registration was completed before December 31, 2022, and the change registration of the remaining 1,000 thousand shares was completed on January 6, 2023.

3. The Board of Directors approved on March 18, 2021 for the Company to conduct capital reduction by 12,891 thousand shares, i.e., by returning a total of $128,915 in cash to shareholders. The capital reduction proposal was resolved by the shareholders' meeting on August 20, 2021. The Board of Directors subsequently set the record date for capital reduction to be October 27, 2021. Registration for the change was completed on November 9, 2021. The return of funds from capital reduction was completed on December 27, 2021.

(X) Capital surplus

According to the Company Act, capital surplus from the premium above the face value of issued shares and the receipt of cash donation may be used to offset losses. In the absence of accumulated losses, it can be distributed in the form of shares or cash to shareholders on a pro-rata basis. According to the Securities and Exchange Act, the total amount of capitalization with the aforesaid capital surplus each year may not exceed 10% of paid-in capital. Capital surplus can only be used to offset accumulated losses when earnings reserve remains insufficient.

(XI) Retained earnings

1. According to the Company's Articles of Incorporation, any annual earnings finalized should be used to pay taxes and offset accumulated losses first. This is followed with the appropriation of the remaining 10% as legal reserve. After the recognition or reversal of special earning reserve in adherence to relevant laws and regulations and along with the undistributed earnings from prior years, the Board of Directors proposes the distribution to be resolved by the shareholders' meeting.

2. The Company considers the business environment and the growth stage it is in, as well as the future funding requirements and long-term financial planning. To meet the shareholders' requirements for cash inflows, at least 10% of distributable earnings are allocated as dividends. Among this, cash dividends should account for 10%-100% and stock dividends should account for 0%-90% of the total dividends.

3. Legal reserve can only be used to offset losses and to issue new shares or cash to shareholders on a pro-rata basis. However, the issue of new shares or cash is capped at 25% of the portion that legal reserve exceeds paid-in capital.

4.(1) When distributing earnings, the Company must first recognize (debit) special reserve from other equity on the balance sheet date of the year according to laws and regulations. The subsequent reversal (credit) of other equity items may be included into distributable earnings.

(2) The initial adoption of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 dated April 6, 2012 requires the recognition of special reserve. The Company reverses the recognized special reserve pro-rata for subsequent use, disposal or reclassification of relevant assets. If the aforesaid assets are investment properties, the reversal of land occurs during disposal or reclassification and the reversal of other elements is spread over the use period. As of December 31, 2022, and 2021, the special surplus reserve for the first time was $157,505.

5. The Company's shareholders' meetings on June 17, 2022 and Aug 20, 2021 resolved the following earnings distributions for 2021 and 2020:

	2021		2020	
	Amount	Dividends per share (NT$)	Amount	Dividends per share (NT$)
Legal reserve	$ 36,310		$ 33,658	
Special reserve	27,317		9,848	
Cash dividends	116,023	$ 1.00	64,457	$ 0.50

6. On March 28, 2023, the Board of Directors of the Company passed a profit and loss appropriation bill for the year of 2022 and legally ordered the conversion of special surplus reserve amounting to $37,165.

As of March 28, 2023, the aforesaid 2022 earnings distribution proposal has not been resolved by the shareholders' meeting. Please visit Market Observation Post System for information on the Board of Directors' approval and the shareholders' meetings' resolutions of earnings distributions.

Operating income

	2022	2021
Revenue from Contracts with Customers	$ 884,652	$ 1,051,038

1. Breakdown of revenue from contracts with customers

The Company generates revenues by offering products that are transferred at a point in time. Revenue breakdown by geography is as follows:

2022	Taiwan	Americas	Southeast Asia	Others	Total
Revenue from contracts with customers	$ 783,078	$ 52,917	$ 31,799	$ 16,858	$ 884,652

2021	Taiwan	Americas	Southeast Asia	Others	Total
Revenue from contracts with customers	$ 914,986	$ 72,804	$ 36,393	$ 26,855	$ 1,051,038

2. Contract liabilities

The contract liabilities related to the Company's recognized revenue from contracts with customers are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities			
Advances received	$ 10,855	$ 4,242	$ 1,501

3.The revenues recognized by the Company from the contract liabilities at the beginning of the periodwere $1,819 and $917, respectively for 2022 and 2021.

Interest income

	2022	2021
Interest on bank deposits	$ 5,142	$ 7,681
Interest income	560	-
	$ 5,702	$ 7,681

Other income

	2022	2021
Rental income	$ 101	$ 101
Dividend income	10	5
Other income	20,121	28,064
	$ 20,232	$ 28,170

Other gains or losses

	2022	2021
Gains on disposal of property, plant and equipment	$ 54	$ 51
Net gain on foreign exchange	12,285	4,028
Net (loss) gain from financial assets at fair value through profit or loss	(59,392)	38,244
Miscellaneous expenses	(3,227)	(3,043)
	($ 50,280)	$ 39,280

(XII) Financial costs

	2022	2021
Interest on bank loans	$ 909	$ 2,101
Interest on lease liabilities	63	42
	$ 972	$ 2,143

(XIII) Additional information on nature of expenses

	2022	2021

Change in inventory of finished goods, goods in progress, raw materials and supplies	$	353,605	$	367,551
Employee benefit expense		278,477		300,365
Depreciation of property, plant and equipment (including right-of-use assets)		52,394		44,621
Processing fees		22,318		28,130
Utility bills		48,674		50,142
Repair expenses		46,551		46,417
Commissions expense		340		244
Amortization		7,500		6,923
Other expenses		55,344		61,497
Operating costs and operating expenses	$	865,203	$	905,890

(XIV) Employee benefit expense

	2022					
	Categorized as operating costs		Categorized as operating expenses		Total	
Salary expense	$	177,324	$	52,558	$	229,882
Labor and health insurance expense		19,061		4,572		23,633
Pension scheme		6,512		2,333		8,845
Remuneration of Directors		-		1,387		1,387
Other personnel expense		11,682		3,048		14,730
	$	214,579	$	63,898	$	278,477

	2021					
	Categorized as operating costs		Categorized as operating expenses		Total	
Salary expense	$	192,554	$	58,325	$	250,879
Labor and health insurance expense		18,787		4,670		23,457
Pension scheme		6,374		2,363		8,737
Remuneration of Directors		-		582		582
Other personnel expense		13,056		3,654		16,710
	$	230,771	$	69,594	$	300,365

1. According to the Company's Articles of Incorporation, if there is any remaining profit during the year after the offsetting of accumulated losses, no less than 1% should be allocated as employees' compensations and no more than 1% as directors' and supervisors' remunerations.
2. The Company estimated and recognized $5,000 and $15,000 as employees' compensations and $0 and $900 as directors' and supervisors' remunerations for 2022 and 2021, respectively. The aforesaid amounts were classified as salary expenses.
   The estimates for 2022 were based on the profit up to and during the period and in reference to the percentage issued in prior years and the ratio specified in the Articles of Incorporation. The amount resolved by the Board of Directors for employees' compensations and directors' and supervisors' remunerations for 2021 is consistent with the amount recognized in the 2021 financial statements.

Please visit Market Observation Post System for information on the bonuses to employees and remuneration of directors and supervisors approved by the Company's Board of Directors and resolved by shareholders' meetings.

Income tax

1. Income tax expense

(1) Components of income tax expense

	2022	2021
Income tax for the period		
Income tax on incomes during the period	$ 10,755	$ 36,639
Levy on undistributed earnings	9,172	11,431
Overvaluation of income tax in previous years	(6,969)	(1,514)
Total income during the period	12,958	46,556
Deferred tax		
Origination and reversal of temporary differences	(32,167)	47,430
Income tax (benefit) expense	($ 19,209)	$ 93,986

(2) Income tax related to other comprehensive income

	2022	2021
Remeasurement of defined benefit plan	$ 1,056	($ 378)

2. Relation between income tax expense and accounting profits

	2022	2021
Income tax calculated with the statutory tax rate on profit before tax	($ 33,303)	$ 91,719
Expenses to be deducted according to tax laws	11,891	-
Income exempt from taxes according to tax laws	-	(7,650)
Overvaluation of income tax in previous years	(6,969)	(1,514)
Levy on undistributed earnings	9,172	11,431
Income tax (benefit) expense	($ 19,209)	$ 93,986

3. Deferred tax assets or liabilities resulting from temporary differences and tax losses are as follows:

2022

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
-Temporary difference:				
Bad debt	$ 696	$ 72	$ -	$ 768
Inventory write-downs	2,402	300	-	2,702
Remeasurement of defined benefit plan	6,253	-	(1,056)	5,197
Unrealized exchange loss	239	(74)	-	165
Payment for untaken leaves	1,793	83	-	1,876
Subtotal	11,383	381	(1,056)	10,708
Deferred tax liabilities				
-Temporary difference:				
Accrued pension	(565)	(343)	-	(908)
Overseas investment gains accounted for under the equity method	(119,255)	32,129	-	(87,126)
Subtotal	(119,820)	31,786	-	(88,034)
	($ 108,437)	$ 32,167	($ 1,056)	($ 77,326)

2021

	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
-Temporary difference:				
Bad debt	$ 696	$ -	$ -	$ 696
Inventory write-downs	1,802	600	-	2,402
Remeasurement of defined benefit plan	5,875	-	378	6,253
Unrealized exchange loss	-	239	-	239
Payment for untaken leaves	1,712	81	-	1,793
Subtotal	10,085	920	378	11,383
Deferred tax liabilities				
-Temporary difference:				
Accrued pension	(169)	(396)	-	(565)
Overseas investment gains accounted for under the equity method	(71,163)	(48,092)	-	(119,255)
Unrealized exchange gain	(138)	138	-	-
Subtotal	(71,470)	(48,350)	-	(119,820)
	($ 61,385)	($ 47,430)	$ 378	($ 108,437)

4. The tax authorities have assessed the income tax returns of the Company through 2020.

Earnings per share (Loss)

	2022		
	After-tax amount	Weighted average number of shares outstanding (1,000 shares)	Loss per share (NT$)
Basic and diluted loss per share			
Net income attributable to ordinary shareholders of the parent	($147,305)	114,245	($ 1.29)

	2021		
	After-tax amount	Weighted average number of shares outstanding (1,000 shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent	$364,608	126,583	$ 2.88
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	$364,608	126,583	
Effect of potentially dilutive ordinary shares			
Remuneration of employees	-	517	
Net income attributable to ordinary shareholders of the parent, plus effect of potential ordinary shares	$364,608	127,100	$ 2.87

(XV) Additional information on cash flows

Investing activities paid only partially with cash

	2022	2021
Purchase of property, plant and equipment	$ 54,715	$ 96,705
Add: Equipment and engineering fees payable at the beginning of the period	13,130	1,230
Less: Equipment and engineering fees payable at the end of the period	(4,632)	(13,130)
Cash paid during the period	$ 63,213	$ 84,805

Change in the liability due to financing activities

	Short-term borrowings	Lease liabilities	Total liabilities due to financing activities
Jan.1, 2022	$ 119,000	$ 3,669	$ 122,669
Movement in cash flows from financing activities	(59,000)	(3,685)	(62,685)
Other non-cash movements	-	6,320	6,320
December 31, 2022	$ 60,000	$ 6,304	$ 66,304

	Short-term borrowings	Lease liabilities	Total liabilities due to financing activities
January 1, 2021	$ 169,000	$ 2,673	$ 171,673
Movement in cash flows from financing activities	(50,000)	(3,935)	(53,935)
Other non-cash movements	-	4,931	4,931
December 31, 2021	$ 119,000	$ 3,669	$ 122,669

VII. Related party transaction

(I) Related party's name and relationship

Related party's name	Relationship with the Company
Plotech Technology (Kunshan) Co., Ltd. (Plotech Technology Kunshan)	The Company's subsidiary
Plotech Technology (HK) Co., Ltd. (Plotech Technology HK)	The Company's subsidiary
Plotech (Nantong) Microcircuit Technology Co., Ltd. (Plotech Nantong)	The Company's subsidiary

(II) Major transactions with related parties

1. Lending to related parties

(1) Other receivables from related parties

	December 31, 2022	December 31, 2021
Subsidiary - Plotech Technology Kunshan	$ 132,240	$ -

(2) Interest income

	2022	2021
Subsidiary - Plotech Technology Kunshan	$ 563	$ -

The loan and terms of the fund to the subsidiary shall be repaid within 1 year after the loan, and the interest shall be charged at an annual interest rate of 4% in the year of 2022.

2. Endorsements/guarantees provided for related parties

	December 31, 2022	December 31, 2021
Subsidiary - Plotech Technology HK	$ 61,420	$ 110,720
Subsidiary - Plotech Technology	184,260	166,080

Kunshan		
Subsidiary - Plotech Nantong	46,065	41,520
	$ 291,745	$ 318,320

Remuneration of key management personnel

	2022	2021
Salaries and other short-term employee benefits	$ 5,509	$ 3,119
Post-employment benefits	35	22
	$ 5,544	$ 3,141

VIII. Pledged assets

The Company's assets provided as guarantees:

	Carrying amount		
Asset items	December 31, 2022	December 31, 2021	Purpose of guarantees
Land	$ 75,106	$ 75,106	Loan guarantees
Property, Plant and Equipment	53,473	55,712	Loan guarantees
	$ 128,579	$ 130,818	

IX. Significant Contingent Liabilities and Unrecognized Commitments

1. Capital expenditures signed but not yet incurred

	December 31, 2022	December 31, 2021
Property, Plant and Equipment	$ 16,739	$ 21,234

2. Letters of credit issued but not yet utilized

	December 31, 2022	December 31, 2021
Letters of credit issued but not yet utilized	$ 1,160	$ 1,728

3. Endorsements/guarantees

Please refer to Note 7 (2) 2. for details of the Company's providing guarantees to financial institutions for borrowings by related banks.

X. Losses due to major disasters

None

XI. Significant Events

None

XII. Others

(I) Capital risk management

1. The Company's capital management aims to ensure the Company's continued operation, lower the cost of capital by maintaining the optimal capital structure, and provide returns to shareholders. TheCompanymaintains or adjusts the capital structure by adjusting dividends to shareholders or issuing new shares.
2. The Company refers to net debt to equity ratio in the monitoring of capital. The capital management strategy in 2022 was the same as in 2021. The Company's net debt to equity ratios as of December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Total borrowings	$ 60,000	$ 119,000
Less: Cash and cash equivalents	(146,533)	(428,706)
Net debt	(86,533)	(309,706)
Total equity	2,351,466	2,616,961
Total capitalization	$ 2,264,933	$ 2,307,255
Debt to equity ratio	(3.69%)	(11.83%)

(blank below)

(II) Financial instruments

1. Types of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		

Financial assets at fair value through profit or loss	$ 55,161	$ 114,553
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 146,533	$ 428,706
Notes receivable	3,719	9,659
Trade receivable	221,487	288,073
Other receivables	2,527	5,348
Refundable deposits	1,791	225
	$ 376,057	$ 732,011
Financial liability		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 60,000	$ 119,000
Notes payable	13,581	5,789
Accounts payable	100,059	110,087
Other accounts payable	117,106	142,915
Guarantee deposits received	1,000	1,000
	$ 291,746	$ 378,791
Lease liabilities	$ 6,304	$ 3,669

2. Risk management policy

(1) The Company's day-to-day operations are subject to a variety of financial risks, including market risks (e.g., exchange rate risks, interest rate risks and price risks), credit risks, and liquidity risks.

(2) Risk management is implemented by the Company's Financial Department in adherence to the policies approved by the Board of Directors. The Company's Financial Department works closely with individual operating units within the Company, to identify, assess, and hedge financial risks. The Board of Directors has established in writing the principles of overall risk management, as well as the policies on scopes and issues such as exchange rate risks, interest rate risks, credit risks, derivative and non-derivative financial instruments and the investment of residual working capital.

3. Nature and degree of significant financial risks

(1) Market risks

Foreign currency risk

A. The Company operates in multiple countries and hence incurs currency risks resultant from the transactions in different functional currencies of the Company and subsidiaries, primarily the US dollars and the Chinese yuan. Relevant exchange rate risks come from future commercial transactions and already recognized assets and liabilities.

B. The Company's management has established the policy on its individual companies' management of currency risks in relation to their functional currencies. Each company's financial department should hedge the overall currency risks. Exchange rate risks are measured for highly probable and expected transactions to be paid in the US dollars and the Chinese yuan. The impact of exchange rate fluctuations on anticipated costs of inventory purchases is mitigated with forward contracts.

C. The Company is subject to the effects of exchange rate fluctuations as certain businesses involve non-functional currencies. (The New Taiwan dollars is the functional currency for the Company and some subsidiaries. The Chinese yuan is the functional currency of some subsidiaries.) The assets and the liabilities subject to effects of significant exchange rate fluctuations are as follows:

	December 31, 2022		
	Foreign currency (1,000)	Exchange rate	Carrying amount (NTD)
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 3,607	30.71	$ 110,771
EUR : NTD	6	32.72	196
RMB: NTD	1	4.41	4
Financial liability			
Monetary items			
USD: NTD	$ 14	30.71	$ 430
RMB: NTD	19	4.41	84

	December 31, 2021		
	Foreign currency (1,000)	Exchange rate	Carrying amount (NTD)
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 2,175	27.68	$ 60,204
RMB: NTD	76,125	4.34	330,689
Financial liability			
Monetary items			
USD: NTD	$ 369	27.68	$ 10,214

D. The total gains (losses), including realized and unrealized, recognized for 2022 and 2021 due to significant influence of exchange rate fluctuations on the Company's monetary items totaled $12,285 and $4,028, respectively.

E. The Company's exchange rate risks due to significant currency movements are analyzed below:

	2022		
	Sensitivity analysis		
	Change %	Impact on profit or loss	Effect on other comprehensive profit and loss
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	1%	$ 1,108	$ -
EUR : NTD	1%	2	-
RMB: NTD	1%	0	-

Financial liability			
Monetary items			
USD: NTD	1%	$ 4	$ -
RMB: NTD	1%	1	-

	2021		
	Sensitivity analysis		
	Change %	Impact on profit or loss	Effect on other comprehensive profit and loss
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	1%	$ 602	$ -
RMB: NTD	1%	3,307	-
Financial liability			
Monetary items			
USD: NTD	1%	$ 102	$ -

Price risk

A. The equity instruments held by the Company and exposed to price risks are recognized as financial assets measured at fair value through profit or loss. To manage the price risks of equity instruments, the Company diversifies the investment portfolio according to the limit determined by the Company.

B. The Company primarily invests in equity instruments issued by domestic companies. The prices of such equity instruments are subject to the uncertainty of future values of the underlying. All else being equal, if the price of such equity instruments had gone up or down by 1%, the net incomes would have increased or decreased by $552 and $1,146 in 2022 and 2021, respectively, due to gain or loss on equity instruments measured at fair value through profit or loss.

Cash flows, fair values and interest rate risks

The assessment concluded that no change in fair values likely due to significant exchange rate fluctuations as the Company's borrowings are not long dated.

(2) Credit risks

A. The Company's credit risks occur if customers or counterparties of financial instruments cannot fulfill contractual obligations and the Company suffers financial losses as a result. This primarily comes from accounts receivable that the counterparties are unable to pay according to payment terms.

B. The Company manages credit risks from the corporate perspective. Only the banks and the financial institutions with credit ratings assigned by independent agencies can be accepted as transaction counterparties. According to the internal credit policy, each of the Company's operating unit must manage and analyze credit risks before determining the terms and conditions of payments and deliveries for each new customer. As part of internal risk control, the credit quality of customers is assessed in reference to financial statuses, past experiences and other factors. The limit on individual risks is determined by the Board of Directors according to internal or external ratings. The use of credit limits is regularly monitored.

C. The Company adopts IFRS 9 with the following assumptions as the basis for determining whether the credit risks of financial instruments have significantly increased after initial recognition.

If the payments required by contracts are overdue for more than 30 days, it is considered that the credit risks of financial assets have significantly increased after initial recognition.

D. The adopts IFRS 9 with the assumptions that defaults are deemed to have occurred if the payments required by contracts are overdue for more than 90 days.

E. The Company adopts the simplified method for the provision matrix of accounts receivable based on customers' ratings and the estimated credit loss.

F. The Company incorporates forward-looking considerations in the adjustment of loss rates established according to historical data of specific periods and current information, in order to estimate the allowance for bad debts of accounts receivable. The provision matrixes as of December 31, 2022 and 2021 are as follows:

	Not overdue	Overdue for less than 30 days	Overdue for 31 to 90 days	Overdue for 91 to 120 days	Overdue for more than 121 days	Total
December 31, 2022						
Expected loss rate	1.07%	11.77%	31.09%	74.91%	100.00%	
Carrying amount - total	$ 215,839	$ 4,513	$ 5,343	$ 1,156	$ 306	$ 227,157
Allowance for bad debts	$ 2,306	$ 531	$ 1,661	$ 866	$ 306	$ 5,670

	Not overdue	Overdue for less than 30 days	Overdue for 31 to 90 days	Overdue for 91 to 120 days	Overdue for more than 121 days	Total
December 31, 2021						
Expected loss rate	1.08%	3.09%	21.13%	74.51%	100.00%	
Carrying amount - total	$ 281,884	$ 5,343	$ 5,092	$ 204	$ 1,266	$ 293,789
Allowance for bad debts	$ 3,057	$ 165	$ 1,076	$ 152	$ 1,266	$ 5,716

G. The Company adopts the simplified method for changes in allowance for bad debts of accounts receivable as shown in the table below:

	2022
January 1	$ 5,716
Reversal of impairment	-
Offsetting	(46)
December 31	$ 5,670

	2021
January 1	$ 5,716
Reversal of impairment	-
December 31	$ 5,716

(3) Liquidity risk

A. Cash flow projections are performed by each operating unit within the Company and then consolidated by the Company's Financial Department. The Company's Financial Department monitors the forecasts for the Company's working capital requirements, in order to ensure adequate capital to fund operations and maintain sufficient and available credit facilities at all time. This is to prevent the Company from violating relevant loan covenants or clauses. Such forecasts take into account the Company's debt financing plan, compliance with debt covenants and adherence to the target financial ratios for the balance sheet.

B. The excess cash held by each operating unit above the requirement of working capital shall be transferred back to the Company's Department of Finance. The Company's Department of Finance invests excess cash in interest-bearing demand deposits, fixed-term deposits, money market deposits and marketable securities. The instruments chosen have appropriate maturity dates or sufficient liquidity, to meet the aforesaid forecasts and provide adequate working capital capacity. The money market positions held by the Company totaled $146,533 and $428,706 as of December 31, 2022 and 2021, respectively. This was expected to generate immediate cash flows to manage liquidity risks.

C. The Company's unutilized credit facilities are detailed below:

	December 31, 2022	December 31, 2021
Floating interest rate		
Due within one year	$ 190,000	$ 261,000
Fixed interest rate		
Due within one year	230,000	100,000
	$ 420,000	$ 361,000

D. The table below shows the Company's non-derivative financial liabilities and the derivative liabilities to be settled with net or total amounts. These are grouped by maturity dates. The analysis on non-derivative financial liabilities is based on the time from the balance sheet date to contract expiry dates. The analysis on derivative financial liabilities is based on the time from the balance sheet date to expected maturity dates.

The undiscounted contracted cash flows are approximately equal to carrying amounts for notes payable, accounts payable and other payables due within one year. The undiscounted contracted cash flows of other financial liabilities are detailed in the table below:

Dec.31, 2022

Non-derivative financial liability	Within 1 year	Within 1 to 2 years	>2 years
Short-term borrowings	$ 60,971	$ -	$ -
Lease liabilities	2,724	3,732	-
Other non-current liabilities	-	-	1,000

December 31, 2021

Non-derivative financial liability	Within 1 year	Within 1 to 2 years	>2 years
Short-term borrowings	$ 119,524	$ -	$ -
Lease liabilities	2,224	1,509	-
Other non-current liabilities	-	-	1,000

(III) Information on fair value

1. The hierarchy of valuation techniques for the measurement of fair values of financial and non-financial instruments are defined below.

Level 1: Quoted prices (unadjusted) in active markets on measurement date for available and same assets or liabilities. Active markets refer to the markets where the transactions of assets or liabilities occur at adequate frequencies and volumes and pricing information is provided continuously. All the fair values of the TWSE/TPEx listed shares that the Company invests in fall into this category.

Level 2: Input values for assets or liabilities are directly or indirectly observable (excluding quoted markets included for Level 1).

Level 3: Input values for assets or liabilities are not observable. All of the equity instruments that the Company invests in without active markets fall into this category.

2. The Company measures the fair values of financial and non-financial instruments according to the nature, characteristics and risks of assets and liabilities and the hierarchy of fair values as follows:

(1) The classification of the Company's assets by nature is as follows:

Dec.31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 111	$ -	$ 55,050	$ 55,161

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 103	$ -	$ 114,450	$ 114,553

(2) The methods and the assumptions the Company uses to measure fair values are as follows:

A. The classification by nature of the instruments measured by the Company with market quoted prices (i.e., Level 1) is as follows:

	TWSE/TPEx listed shares
Quoted market prices	Closing market price

B. Except those financial instruments mentioned above with active markets, the fair values of other financial instruments are derived with valuation techniques or in reference to prices quoted by transaction counterparties. The current fair values of other financial instruments substantially similar in conditions and characteristics; discounted cash flow method or other valuation techniques (including yield curves published by Taipei Exchange and interest rates of commercial papers quoted on Reuters derived with modeling and calculation of available market information on the consolidated balance sheet date) can serve as references to the fair values obtained with valuation techniques.

C. The outputs from valuation models are forecasts and approximations. Valuation models may not be able to reflect all the relevant factors of the financial and non-financial instruments held by the Company. Therefore, the projected values by valuation models are adjusted appropriately in reference to additional parameters such as model risks or liquidity risks. According to the Company's fair value valuation model and relevant control procedures, management believes that valuation adjustment is appropriate and necessary to fair presentation of the fair value of financial instruments and non-financial instruments in the unconsolidated financial statements. The pricing information and parameters used during the valuation process are carefully assessed and appropriately adjusted according to current market conditions.

D. The Company incorporates credit risks valuation into the calculation of fair value of financial instruments and non-financial instruments, to reflect the credit risks of counterparties and the Company's credit quality.

3. There was no transfer between Level 1 and Level 2 in 2022 or 2021.

4. The changes in Level 3 in 2022 and 2021 are shown below:

	2022	2021
	Equity instruments	Equity instruments
January 1	$ 114,450	$ 76,200
Gains or losses recognized in profit and loss		
Account for non-operating income and expenses	(59,400)	38,250
December 31	$ 55,050	$ 114,450

5. There was no transfer into or out of Level 3 in 2022 or 2021.

6. The Company's Financial Department is responsible for independent validation of fair values of financial instruments derived with Level 3 valuation procedures. Independently sourced data aligns the valuation results to the market conditions. Data sources should be independent, reliable and consistent with other resources and representative of executable prices. Required inputs must be updated periodically. Data and any other necessary fair values should be adjusted to ensure the reasonableness of valuation results.

7. The sensitive analysis of the quantitative information on significant unobservable inputs and change of significant unobservable inputs for measurement items in Level 3 fair value valuation models is explained below:

	Fair value on December 31, 2022	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relation between inputs and fair values
Non-derivative equity instruments:					
Non TWSE/TPEx listed shares	$ 55,050	Comparable TWSE/TPEx listed companies	Price-to-book multiples and liquidity discount of comparable companies	-	The higher the price-to-book ratio of the analogous company, the higher the fair value; The higher the liquidity discount not traded in the open market, the lower the fair value

	Fair value on December 31, 2021	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relation between inputs and fair values
Non-derivative equity instruments:					

Non TWSE/TPEx listed shares	$	114,450	Comparable TWSE/TPEx listed companies	Price-to-book multiples and liquidity discount of comparable companies	-	The higher the price-to-book ratio of the analogous company, the higher the fair value; The higher the liquidity discount not traded in the open market, the lower the fair value

8. The Company carefully assesses the valuation models and valuation parameters it chooses to adopt. However, the use of different valuation models or valuation parameters may result different valuation results. As far as the financial assets and financial liabilities classified as Level 3 are concerned, an increase or decrease of price-to-book multiples or market liquidity discount by 0.1% would have no significant influence on the profit or loss for the years 2022 and 2021 ended on December 31.

XIII. Other Disclosures

(I) Information on major transactions

1. Lending to others: Please refer to Table 1.
2. Endorsements/guarantees provided for other parties: Please refer to Table 2.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Purchase or sale of the same marketable security for an accumulated total of NT$300 million or higher or equivalent to at least 20% of paid-in capital: none.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: none.
6. Disposal of real estate at least NT$300 million or 20% of the paid-in capital: none.
7. Purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 5.
9. Trading of derivative instruments: none.
10. Business relations, significant transactions and amounts between the parent and subsidiaries and between subsidiaries: Please refer to Table 6.

(IV) Information on Investees

Names and locations of investees, etc. (excluding investees in China): Please refer to Table 7.

(V) Information on Investment in Mainland China

1. Basic data: Please refer to Table 8.
2. Major transactions with investees in China directly invested or indirectly invested via a third jurisdiction: Please refer to Table 9.

(VI) Information on Major Shareholders

Information on major shareholders: Please refer to Table 10.

XIV. Segment information

Not applicable.

Plotech Technology Co., Ltd.

Lending to others

January 1 to December 31, 2022

Table 1

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

No. (Note 1)	Borrower	Borrower	dealings	Related party or not	the period	balance	utilized	interest	lending	business dealings	Reason for necessity of short-te	Allowance for bad debt	Collateral Name	Collateral Value	Limit on lending to a single borrower (Notes 2, 3, 4 & 5)	Limit on total lending (Notes 2, 3, 4 & 5)	Remarks
0	Plotech Technology Co., Ltd.	Plotech Technology	Other receivables	Y	$ 132,240	$ 132,240	$ 132,240	4%	Short-term financing	$ -	Operating cycle	$ -	None	$ -	$ 235,147	$ 940,586	
1	Plotech Technology (HK) Co., Ltd.	Plotech Technology	Other receivables	Y	228,300	-	-	-	Business dealings	-	Operating cycle	-	None	-	228,300	228,300	

Note 1: explanations for numbered columns

(1) “0” for the issuer

(2) Investees numbered from 1 and so forth

Note 2: According to the Company’s Operating Procedures of Lending to Other Parties, the total limit of lending may not exceed 40% of the Company’s net value. If necessary for short-term financing between companies and firms, the total amount of lending to others may not exceed 20% the Company’s net value. However, this limit is not applicable to short-term financing for business needs to the companies over 50% owned by the Company.

Note 3: According to the Company’s Operating Procedures of Lending to Other Parties, the lending to a company or firm the Company has business relations with shall not exceed the amount of business dealings between both parties. The amount of business dealings refers to the higher of sales or purchases between two

Note 4: According to the Company’s Operating Procedures of Lending to Other Parties, the individual lending to the companies or firms with the need for short-term financing may not exceed 10% of the Company’s net value.

Note 5: According to the Company’s Operating Procedures of Lending to Other Parties, either the individual lending or the total lending to any company at least 50% owned by the Company for necessary short-term business financing shall not exceed 40% of the Company’s net value.

Plotech Technology Co., Ltd.

Endorsements/guarantees provided

January 1 to December 31, 2022

Table 2

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

No.	Endorsements guarantees	Endorsed/guranteed party												
			Relationship	ment/guarantee amount t	m endorsed/guaranteed balance during th	ntee balance at th	Amount utilized			Amount limit of endorsements/g	rovided by parent com	rovided by subsidiaries	Guarantees provided in Mainland China	
(Note 1)	Company Name	Company Name	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note6)	guarantees collateralized by	endorsements/ guarantees	(Note 3)			(Note 7)	Remarks
0	Plotech Technology Co., Ltd.	Plotech Technology (HK) Co., Ltd.	2	$ 2,351,466	$ 121,760	$ 61,420	-	$ -	2.61	$ 2,351,466	Y	N	N	
0	Plotech Technology Co., Ltd.	Plotech (Nantong) Microcircuit Technology Co., Ltd.	2	2,351,466	48,330	46,065	32,246	-	1.96	2,351,466	Y	N	Y	
0	Plotech Technology Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	2	2,351,466	193,320	184,260	122,840	-	7.84	2,351,466	Y	N	Y	
1	PLOTECH (BVI) CO.,LTD	Plotech Technology (Kunshan) Co., Ltd.	2	895,484	96,660	92,130	-	-	5.14	895,484	N	N	Y	
2	PLOTECH (CAYMAN) CO.,LTD	Plotech (Nantong) Microcircuit Technology Co., Ltd.	2	838,282	144,990	138,195	138,195	-	8.24	838,282	N	N	Y	
3	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology Co., Ltd.	2	5,327,714	1,152,692	1,152,692	651,569	-	10.82	5,327,714	N	N	Y	
4	Plotech (Nantong) Microcircuit Technology Co.,	Plotech Technology (Kunshan) Co., Ltd.	2	564,671	447,300	440,800	130,918	-	39.03	564,671	N	N	Y	
5	Plotech Technology (HK) Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	2	42,579	16,191	15,432	15,432	-	18.12	42,579	N	N	Y	

Note 1: explanations for numbered columns
(1) “0” for the issuer
(2) Investees numbered from 1 and so forth

Note 2: Please indicate one of the following seven types of relations between the endorser/guarantor and the endorsed/guaranteed:
(1) Companies with business dealings.
(2) Companies whose shares presenting least 50% voting rights are owned directly or indirectly by the Company.
(3) Companies who directly and indirectly own at least 50% of the Company’s voting rights.
(4) Companies whose shares representing at least 90% voting rights are directly or indirectly owned by the Company.
(5) Companies who provide guarantees to each other in the same industry or as applicants under contractual terms due to joint undertakings of engineering works.
(6) Endorsements/guarantees provided pro-rata as shareholders in a joint investment.
(7) Joint guarantees between companies in the same industry in accordance with the Consumer Protection Act to ensure contract performance for sale of off-plan properties.

Note 3: Endorsement guarantee procedures are as follows:
(1) The total amount of endorsement guarantee of the Company shall be limited to 100% of net value, and the endorsement guarantee of a single enterprise shall not exceed 100% of net value.
(2) The total amount of endorsement guarantee by the Company and its subsidiaries shall not exceed 200% of the company's current net value, and the total amount of endorsement guarantee for a single enterprise shall not exceed 200% of the company's current net value.
(3) The total amount of endorsement guarantee of Plotech Technology (Kunshan) Co., LTD., a subsidiary of the company, shall be limited to 300% of net value, and the endorsement guarantee of a single enterprise shall not exceed 300% of net value.
(4) The total amount of endorsement guarantee of the company's subsidiaries (except subsidiary Plotech Technology (Kunshan)) shall be limited to 50% of the net value, and the endorsement guarantee of a single enterprise shall not exceed 50% of the net value.

Note 4: Maximum balance of endorsements/guarantees provided during the year.

Note 5: The amount approved by the Board of Directors. However, if the Board of Directors has authorized Chairman to decide in accordance with Paragraph 8 of Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount herein refers to the amount determined by Chairman.

Note 6: Please enter the amount actually utilized by the endorsed/guaranteed within the limit of endorsement/guarantee.

Note 7: Please enter “Y” for a TWSE/TPEx listed parent providing endorsements/guarantees to subsidiaries, for subsidiaries providing endorsements/guarantees to a TWSE/TPEx listed parent or for endorsements/guarantees in China.

Plotech Technology Co., Ltd.

Marketable securities held at the end of the period (excluding investment in subsidiaries, associates and jointly controlled entities)

December 31, 2022

Table 3

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

Holding company name	Marketable securities types and name (Note 1)	Relationship with the issuers (Note 2)	Financial statement account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
Plotech Technology Co., Ltd.	Transcend Information, Inc.	None	Financial assets at fair value through profit or loss - current	1,675	111	-	111	
Plotech Technology Co., Ltd.	Sustainable Development Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	1,500,000	55,050	3.83%	55,050	

Note 1: Marketable securities in this table refer to shares, bonds, beneficiary certificates and others within the scope of IFRS 9 “Financial Instruments."

Plotech Technology Co., Ltd.

Sales/purchases with related parties reach NT$100 million or at least 20% of the paid-up capital

January 1 to December 31, 2022

Table 4

Unit: Amounts expressed in thousands of New Taiwan Dollars (unless otherwise specified)

			Transaction Details				from an arm's length and		Note/Accounts Receivable (Payable)		
Buyer/Seller	Name of counterparty	Relationship	Purchases (sales)	Amount	Percentage of total imports (sales) (%)	Credit period	Unit price	Credit period	Balance	Ratio to total bills and accounts receivable (paid) (%)	Remarks
Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	Its subsidiary	(sales)	($ 130,643)	(5.93)	Note 1	Note 1	Note 1	$ 16,260	2.01	
Plotech Technology (HK) Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	Its parent company	Purchase	130,643	100.00	Note 1	Note 1	Note 1	(16,260)	(98.09)	

Note 1: Sales and purchases are made without price differentiation. Collections and payments depend on funding situations.

Plotech Technology Co., Ltd.

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: none.

December 31, 2022

Table 5

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

					parties			
Companies with accounts receivable	Name of counterparty	Relationship	Other receivables from	Rate of turnover	Amount	Method of handling	Amount recovered	Allowance for bad
Plotech Technology Co., Ltd.	Plotech Technology (Kunshan) Co., Ltd.	Its subsidiary	$ 132,803 (Note)	Not applicable.	$ -	Not applicable	$ -	$ -

Note1 : Balance of funds loaned between subsidiaries of the department.

Plotech Technology Co., Ltd.

Business relationships and significant transactions between the parent and the subsidiaries and between subsidiaries

January 1 to December 31, 2022

Table 6

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

No. (Note 1)	Name	Transaction party	Relation with the	Transaction status: Item	Amount	Transaction	Percentage of consolidated total revenues or total assets (Note 3)
0	Plotech Technology Co., Ltd.	Plotech Technology	1	Other receivables	$ 132,803	Note 5	1.93
0	Plotech Technology Co., Ltd.	Plotech Technology	1	Interest income	563	Note 5	0.02
1	Plotech Technology (Kunshan)	Plotech Technology (HK)	1	Trade receivable	16,260	Note 4	0.24
1	Plotech Technology (Kunshan)	Plotech Technology (HK)	1	Revenue	130,643	Note 4	4.26
1	Plotech Technology (Kunshan)	Plotech Technology (HK)	1	Other payables	5,167	Note 6	0.07
1	Plotech Technology (Kunshan)	Plotech Technology (HK)	1	Other expenses	10,494	Note 6	0.34
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology	1	Revenue	18,897	Note 4	0.62
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology	1	Other payables	22,626	Note 7	0.33
1	Plotech Technology (Kunshan) Co., Ltd.	Plotech (Nantong) Microcircuit Technology	1	Other expenses	14,925	Note 8	0.49

Note 1: Please provide the business dealings between the parent and subsidiaries in the numbers column in the following method:
(1) "0" for the parent.
(2) Subsidiaries numbered from 1 and so forth.

Note 2: Please indicate one of following three types of transactions with related parties. (No need for repeated disclosure for the same transaction between the parent and a subsidiary or between subsidiaries.) For example, if the parent
For transactions between subsidiaries, if one subsidiary has disclosed it, the other subsidiary does not need to disclose it repeatedly) :
(1) Parent company to subsidiaries
(2) Subsidiaries to parent company
(3) Subsidiaries to subsidiaries

Note 3: The amount of business dealings as a percentage of total consolidated revenues or total consolidated assets is calculated as follows. If it is an asset and liability item, it is calculated with the total consolidated assets at the end of the

Note 4: Sales are made without price differentiation. Collections and payments after completion of sale depend on funding situations.

Note 5: Lending and borrowing among subsidiaries, at an annual interest rate of 4%.

Note 6: The consultation fees charged by the parent to a subsidiary.

Note 7: Advanced payments with related parties.

Note 8: Primarily for sharing of equipment utilization expenses among subsidiaries.

Plotech Technology Co., Ltd.

Names and locations of investees (excluding those in China)

January 1 to December 31, 2022

Table 7

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

Name of investing company	Investee (Note 1,2)	Location	Main business	Original investment amount: End of the period	Original investment amount: End of last year	Holding at the end of the period: Number of shares	Holding at the end of the period: %	Holding at the end of the period: Carrying amount	Profit or loss of	Recognized	Remark
Plotech Technology Co., Ltd.	PLOTECH (BVI) CO., LTD.	The British Virgin Islands	Investees	$ 1,104,774	$ 1,104,774	29,560,000	100.00	$ 1,790,968	($ 160,645)	($ 160,645)	
PLOTECH (BVI) CO., LTD.	PLOTECH (CAYMAN) CO.,LTD.	Cayman Islands	Investees	1,049,875	1,049,875	32,967,400	100.00	1,676,563	(162,391)	-	
Plotech Technology (Kunshan) Co., Ltd.	Plotech Technology (HK) Co., Ltd.	Hong Kong	Marketing of printed circuit boards	90,417	90,417	-	100.00	85,158	689	-	

Plotech Technology Co., Ltd.

Investments in China－basic data

January 1 to December 31, 2022

Table 8

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

Name of Investee in Mainland	Main business	Paid-in capital	Investment method (Note 1)	from Taiwan at the	repatriation during the: Outward	repatriation during the: Recovery	investment from	investee during the	Shareholding percentage directly or indirectly	loss for the period (Note 2)	Carrying amount	Investment	Remarks
Plotech Technology (Kunshan) Co., Ltd.	Production and sales of printed circuit boards	$ 1,459,048	1	$ 860,826	$ -	$ -	$ 860,826	($ 174,586)	90.85	($ 158,611)	$ 1,599,484	$ -	Notes 2 & 3
Plotech (Nantong) Microcircuit Technology Co., Ltd.	Production and sales of printed circuit boards	1,322,400	3	$ -	-	-	-	(187,187)	90.85	(170,059)	1,026,006	-	Notes 2 & 4

Company Name	Accumulated outward	Investment	China according to the
Plotech Technology Co., Ltd.	$ 860,826	$ 542,319	$ 1,516,729

Note 1: Please indicate one of the following three investment routes:

(1) Investment to a company in China by setting up an entity in the third jurisdiction

(2) Investment to a company in China via an existing entity in the third jurisdiction

(3) Investment to a company in China via an existing entity in China

Note 2: Recognized investment gain or loss for the period is based on the valuation and disclosure by the parent’s audited financial statements.

Note 3: PLORECH(CAYMAN) CO., LTD was established through the third Region investment. Reinvest in the mainland.

Note 4: It invested in the third region to establish Plotech Technology (Kunshan) Co., LTD., and reinvested in mainland China.

Plotech Technology Co., Ltd.

Information on investments in China－Significant transactions directly or indirectly via an entity in the third jurisdiction with an investee in China

January 1 to December 31, 2022

Table 9

Unit: Amounts expressed in thousands of New Taiwan Dollars

(unless otherwise specified)

	(purchases)		transaction		receivable		collaterals provided		Financing				
China	Amount	%	Amount	%	Balance	%	Ending balance	Objective	balance during	Ending balance	interest rates	during the	Others
Plotech Technology (Kunshan) Co., Ltd.	$ -	-	$ -	-	$ -	-	$ 184,260	Limit of bank facilities	$ 132,240	132,240	4%	$ 563	
Plotech (Nantong) Microcircuit Technology Co., Ltd.	-	-	-	-	-	-	46,065	Limit of bank facilities	-	-	-	-	

Plotech Technology Co., Ltd.

Information on Major Shareholders

December 31, 2022

Table 10

Name of major shareholder	Shares	
	No. of shares held	Shareholding percentage
Hsueh-Chieh Investment Co., Ltd.	10,891,737	9.52%
Li Chi-Liang	8,671,246	7.58%
Chi Wu Investment Co., Ltd.	12,479,300	10.91%

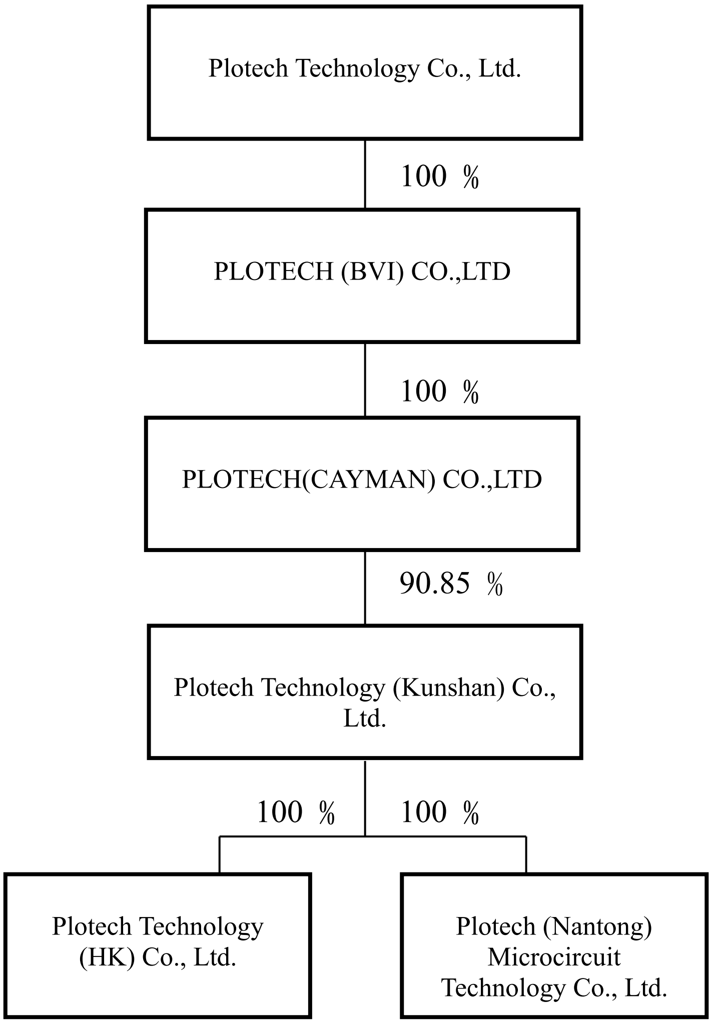
Plotech Technology Co., Ltd.

2022 Consolidated Business Report (Including Affiliated Enterprises)

I. Overview of Affiliated Enterprises

(I) Organization of affiliated enterprises

1. Organization chart of affiliated enterprises



2. Shareholders and directors of any enterprise with a controlling and subordinate relation with the Company as defined by Article 369-3 of the Company Act but not the controlling and subordinate relation defined by the second paragraph of Article 369-2 of the Company Act and hence not included in the consolidated financial statements: none
3. Any subordinate enterprise whose personnel, finance or business is directly or indirectly controlled by the Company as described in the second paragraph of Article 369-2 of the Company Act: none

(II) Basic data of affiliated enterprises

Company name	Establishment date	Address	Paid-in capital	Main business or production
PLOTECH（BVI）CO.,LTD	1999.09.29	WICKHAMS CAY II RIAD TOWN TORTOLA VG1110 BRITISH VIRGIN ISLANDS	USD 29,560,000	Investee
PLOTECH（CAYMAN）CO.,LTD	2005.06.22	P.O. BOX 31119 GRAND PAVILION HIBISCUS WAY,802 WEST BAY ROAD,GRAND CAYMANN，KY1-1205,CAYMAN LSLANDS	USD 32,967,400	Investee
Plotech Technology (Kunshan) Co., Ltd.	2000.07.10	No. 28, Zhu Zhu Road, He Feng industrial District, Lu Jia Town, Kunshan City, Jiangsu Province	RMB 331,000,000	Production and marketing of printed circuit boards
Plotech Technology (HK) Co., Ltd.	2009.01.21	Room 2702-03, C.C. Wu Building, No. 302-8 Hennessy Road, Wan Chai, Hong Kong	USD 3,012,900	Marketing of printed circuit boards
Plotech (Nantong) Microcircuit Technology Co., Ltd.	2020.03.03	No. 99 Chuangyuan Road, Rugao City, Nantong City	RMB 300,000,000	Production and marketing of printed circuit boards

(III) Same shareholders for the companies with a controlling and subordinate relation: none

(IV) Industries in which affiliated enterprises operate

The Company and affiliated enterprises operate the following businesses: international trade; design of printed circuit boards and films; manufacturing, processing, hole drilling and marketing of printed circuit boards and investments.

(V) Data on the directors, managers and supervisors of individual affiliated enterprises

Unit: shares

Company name	Title	Name or representative person	No. of shares held (Note)	
			No. of shares (amount invested)	Shareholding percentage
PLOTECH（BVI）CO.,LTD.	Directors	Plotech Technology Co., Ltd. Representative: Lee Chi-Liang	29,560,000	100 %
PLOTECH（CAYMAN）CO.,LTD	Directors	PLOTECH（BVI）CO., LTD. Representative: Lee Chi-Liang	32,967,400	100 %
Plotech Technology (Kunshan) Co., Ltd.	Director	PLOTECH （CAYMAN）CO.,LTD. Representative: Lee Chi-Liang	300,702,010	90.85%
Plotech Technology (HK) Co., Ltd.	Directors	Plotech Technology (Kunshan) Co., Ltd. Representative: Lee Chi-Liang	TWD 90,417 thousand	90.85%
Plotech (Nantong) Microcircuit Technology Co., Ltd.	Directors	Plotech Technology (Kunshan) Co., Ltd. Representative: Lee Chi-Liang	NT$ 1,322,400thousand	90.85%

Note: Please provide the number of shares held and the percentage of shareholdings if the investee is a limited company. Please provide the amount invested and the ownership percentage for others.

II. Operational status of affiliated enterprises

Unit: Amounts expressed in thousands of New Taiwan Dollars
(Earnings per share in NT$)

Company name	Paid-in capital	Total assets	Total liabilities	Net value	Operating income	Operating profit	Profit (loss) for the period (after tax)	Earnings per share (NT$)(after tax)
Plotech Technology Co., Ltd.	1,133,540	2,769,903	418,437	2,351,466	884,652	19,449	（147,305）	（1.29）
PLOTECH（BVI）CO.,LTD	1,104,774	1,790,968	0	1,790,968	0	（86）	（160,645）	（5.43）
PLOTECH （CAYMAN）CO., LTD	1,049,875	1,748,547	71,984	1,676,563	0	（12,190）	（162,391）	（4.93）
Plotech Technology (HK) Co., Ltd.	90,417	102,336	17,178	85,158	130,643	（8,797）	689	—
Plotech Technology (Kunshan) Co., Ltd.	1,459,048	4,028,761	2,252,862	1,775,899	2,052,712	68,032	（174,586）	（0.53）
Plotech (Nantong) Microcircuit Technology Co., Ltd.	1,322,400	2,915,866	1,786,529	1,129,337	58	（179,645）	（187,187）	—

III. In accordance with Explanation 4 and Appendix 5 of the Official Letter (88) Tai-Finance-Securities (6) No. 04448, the consolidated financial statements including affiliated enterprises will not be prepared and an statement is issued, as prescribed by Attachment 1 of the Official Letter. Please refer to P88 for the statement issued as prescribed by Attachment 5 of the Official Letter. Please refer to P89~P157 for the consolidated financial statements.

IV. Report on the relations among affiliated enterprises: not applicable

PLOTECH CO.,LTD

Chairman: Lee Chi-Liang